

STRONGER by DEGREES



MEETING AGENDA

November 7, 2013
Madisonville Community College
Madisonville, KY



Council on Postsecondary Education Meeting and Activities

Madisonville Community College
2000 College Drive
Madisonville, KY 42431

Wednesday, November 6, 2013

- 2 p.m. CT **Council Member Briefing Session**
Rm #264 Brown Badgett Sr. Energy & Advanced Technology Center
- 4:30 p.m. CT **Madisonville Community College/KCTCS Briefing Session and Campus Tour**
Rm #264 Brown Badgett Sr. Energy & Advanced Technology Center
- 6 p.m. CT **Dinner hosted by Madisonville Community College**
Glema Mahr Center for the Arts

Thursday, November 7, 2013

- 8 a.m. CT **CPE Executive Committee Meeting**
Rm #272 Brown Badgett Sr. Energy & Advanced Technology Center
- 9 a.m. CT **CPE Meeting**
Rm #264 Brown Badgett Sr. Energy & Advanced Technology Center



Members, Council on Postsecondary Education

Glenn D. Denton, Paducah
Joe E. Ellis, Benton
Dan E. Flanagan, Campbellsville (*vice chair*)
Joe Graviss, Versailles
Terry Holliday, Commissioner of Education (*ex officio, nonvoting*)
Dennis M. Jackson, Paducah
Glenn Means, Mount Sterling (*student member*)
Pam Miller, Lexington (*chair*)
Donna Moore, Lexington
Marcia Milby Ridings, London
Carolyn Ridley, Bowling Green
Robert H. Staat, (*faculty member*)
Arnold Taylor, Edgewood
Joseph B. Wise, Louisville
Sherrill B. Zimmerman, Prospect

Robert L. King, CPE President

AGENDA

Council on Postsecondary Education
Thursday, November 7, 2013
9:00 a.m. (CST)
Madisonville Community College
Madisonville, Kentucky

Welcome

Roll Call

Approval of Minutes 1

Strategic Agenda Focus Area – Efficiency and Innovation (9:15 a.m. – 9:45 a.m.*)

1. Overview and Update on Objectives and Strategies.....7

Performance Presentations (9:45 a.m. – 11:30 a.m.*)

(For each institution: 20 minutes for presentation & 10 minutes for Questions and Answers)

2. Eastern Kentucky University
3. Kentucky State University
4. Murray State University

Lunch (11:30 a.m. – 12:30 p.m.*)

Action and Information Items (12:30 p.m. – 3:30 p.m.*)

5. CPE President’s Report to the Council
6. Commissioner of Education Report 9
7. ACTION: 2014-16 Postsecondary Education Budget Recommendation 15
 - Institutional Operating Funds 27
 - Strategic Investment and Incentive Trust Funds 39
 - Capital Investments and Information Technology 45
 - CPE Agency Budget 75
8. ACTION: Improving Educator Quality (IEQ) State Grant Program 87
9. ACTION: New Academic Programs 91
 - Murray State University: Doctor of Education P-20 & Community Leadership; and Master of Arts in Postsecondary Education Administration
 - Western Kentucky University: Bachelors of Arts in Chinese; and Bachelors of Arts in Arabic
10. ACTION: 13 KAR 3:050 GED® Eligibility Requirements – Regulation Amendment – Not Amended After Comments 93
11. ACTION: Annual Assessment: 2014-15 Degree Program Status 99
12. Committee on Equal Opportunities Report 101
13. For the Greater Good: How KYVL Strives to Serve Kentucky 103

14. Tuition Setting Process	105
15. 15 to Finish Campaign	111
16. 2011-12 Accountability Report	113
17. Committee Appointments	115
Reports from the Institutions	117

Other Business

Next Meeting is February 14, 2014, at the Council on Postsecondary Education offices, Frankfort, Kentucky.

Adjournment

MINUTES
Council on Postsecondary Education
September 12, 2013

The Council on Postsecondary Education met Thursday, September 12, 2013, at 9 a.m., ET, at the Downtown Marriott in Louisville, Kentucky. Chair Pam Miller presided.

WELCOME

Ms. Miller welcomed everyone to the meeting.

Ms. Miller recognized the two new Council members Dr. Robert Staat and Mr. Glenn Means, III.

OATH OF OFFICE

Judge Charles Cunningham, Circuit Court Judge with the Jefferson County Circuit Court, administered the oath of office to Dr. Staat and Mr. Means.

ROLL CALL

The following members were present: Glenn Denton, Joe Ellis, Dan Flanagan, Joe Graviss, Terry Holliday, Dennis Jackson, Glenn Means, Pam Miller, Donna Moore, Marcia Ridings, Carolyn Ridley, Robert Staat, Arnold Taylor, Joseph Wise, and Sherrill Zimmerman.

APPROVAL OF MINUTES

Mr. Taylor moved that the June 20 minutes be amended to reflect Judge Anthony Frohlich's correct residing court to the Boone and Gallatin County Circuit Courts.

The minutes of the June 20 meeting were approved as amended.

**STRATEGIC AGENDA
 FOCUS AREA –
 RESEARCH,
 ECONOMIC, AND
 COMMUNITY
 DEVELOPMENT**

Ms. Lee Nimocks, CPE's vice president for operations and senior policy advisor; Dr. Linda Linville, CPE's senior policy advisor for research, development, and health initiatives; and Dr. Tom Martin, CPE's senior associate for economic initiatives, provided an overview and update on the research, economic, and community development objectives and strategies.

Kris Kimel, president of the Kentucky Science and Technology Corporation, presented on building a more innovative, entrepreneurial culture.

**PERFORMANCE
 PRESENTATION –
 MOREHEAD STATE
 UNIVERSITY**

Dr. Wayne Andrews, Morehead State University's president, provided the Council with an update on MoSU's progress toward achieving its performance goals as set forth in the state's Strategic Agenda.

**CPE PRESIDENT'S
 REPORT TO THE
 COUNCIL**

A written report from Mr. King was distributed. Highlights of his report included the announcement of two new student success committees: the Committee on Academic Quality and the Committee on Persistence and Retention; an update on the tuition reciprocity; the announcement of KET's *Education Matters* to focus on GED graduates; an update for the *15 to Finish Kentucky* campaign planning; and information regarding the new eTranscripts to ease the college admission process.

COMMISSIONER OF
EDUCATION REPORT

A written report from Commissioner Holliday was included in the agenda book. Highlights of his report he addressed verbally were the responses of the schools districts after the passage of SB97, and an update on 704 KAR 3:303 for the incorporation of the new science standards within the Kentucky Core Academic Standards.

REGULATION
AMENDMENT: 13 KAR
1:020 PRIVATE
COLLEGE LICENSING

Mr. Travis Powell, CPE’s general counsel, presented the staff recommendation that the Council approve the proposed amendment of 13 KAR 1:020, amended after comments. The action would authorize staff to file the proposed administrative regulation and the General Counsel, pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b), to make such changes on behalf of the Council as necessary to comply with KRS Chapter 13A and obtain adoption of the amended regulation by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

MOTION: Mr. Jackson made a motion for approval of the regulation amendment 13 KAR 1:020, amended after comments. Ms. Zimmerman seconded the motion.

VOTE: The motion passed.

REGULATION
AMENDMENTS: 13 KAR
3:010 GED® Testing
Program; 13 KAR 3:050
GED® Eligibility
Requirements

Mr. Travis Powell, CPE’s general counsel, and Jacqueline Korengel, CPE’s director of Kentucky Adult Education strategic initiatives presented the staff recommendation that the Council approve the proposed amendments of 13 KAR 3:010 and 13 KAR 3:050. Mr. Reecie Stagnolia, Vice President of Kentucky Adult Education, approached the table to answer questions. The action would authorize staff to file the proposed administrative regulation and the General Counsel, pursuant to KRS 13A.290(4) and KRS 13A.320(1)(b), to make such changes on behalf of the Council as necessary to comply with KRS Chapter 13A and obtain adoption of the amended regulation by the Administrative Regulation Review Subcommittee and the Interim Joint Committee on Education.

Concern was expressed with the expense of the new test that will be administered. Mr. Stagnolia stated many businesses and philanthropic groups help raise funds or provide test vouchers for those in their area who are economically disadvantaged. Mr. King and Mr. Stagnolia also pointed out that each of the four content areas of the test can be taken separately, thus allowing the tester to prepare for each section separately, as well as pay for the test incrementally.

MOTION: Dr. Ellis made a motion for approval of the regulation amendment 13 KAR 3:010 and 13 KAR 3:050. Mr. Jackson seconded the motion.

VOTE: The motion passed.

NEW ACADEMIC PROGRAMS
NORTHERN KENTUCKY UNIVERSITY AND UNIVERSITY OF LOUISVILLE

Dr. Aaron Thompson presented the staff recommendation that the Council approve the Bachelor of Science in Data Science and the Bachelor of Arts in Special Education at Northern Kentucky University; and the Bachelor of Arts/Bachelor of Science in Public Health at the University of Louisville. Representatives for each of the universities were present to answer questions.

MOTION: Ms. Moore moved that the Council approve the Bachelor of Science in Data Science and the Bachelor of Arts in Special Education at Northern Kentucky University; and the Bachelor of Arts/Bachelor of Science in Public Health at the University of Louisville. Dr. Staat seconded the motion.

VOTE: The motion passed.

2014 CPE MEETING CALENDAR

Mr. King presented the 2014 CPE meeting calendar.

The Council was notified that the 2015 calendar dates will be presented and voted on at the February 2014 meeting.

MOTION: Ms. Zimmerman moved that the 2014 CPE meeting calendar be approved. Mr. Means seconded the motion.

VOTE: The motion passed.

TUITION SETTING RECOMMENDATION

Mr. Taylor presented his recommended resolution relation to tuition setting. If adopted, the resolution would be distributed to each board of regents and board of trustees of public postsecondary institutions in the state.

MOTION: Ms. Ridley motioned to adopt the resolution and open it for discussion. Mr. Means seconded the motion.

Multiple discussions and concerns were made by Council members and institutional presidents. The topics discussed were setting tuition earlier, considering a multi-year/biennial tuition plan, and improved communication between the institutional presidents, institutional boards, the legislature, and the Council. Mr. Graviss suggested the Budget Development Work Group review this matter further, and open it up to all Council members and campuses.

AMENDED MOTION: Dr. Ellis amended the motion to table the discussion for a later meeting. Mr. Taylor seconded the motion.

VOTE: The motion passed, as amended.

MOTION: Dr. Ellis motioned that the chair of the Council appoint a project team to discuss the issue of setting tuition timetables. Ms. Moore seconded the motion.

VOTE: The motion passed.

2013-14 AGENCY OPERATING BUDGET	Dr. Bill Payne, CPE’s assistant vice president for budget, planning, and policy, and Mr. Shaun McKiernan, CPE’s senior associate for budget, planning, and policy, presented the 2013-14 agency operating budget.
2014-16 BUDGET DEVELOPMENT WORK GROUP UPDATE	Dr. Bill Payne, CPE’s assistant vice president for budget, planning, and policy, and Mr. Sherron Jackson, CPE’s policy advisor for budget, planning, and policy, presented the 2014-16 Budget Development Work Group update. The formal proposal will be presented at the November meeting.
RURAL ACCESS WORK GROUP IMPLEMENTATION PLAN	Information regarding the Rural Access Work Group implementation plan was distributed at the Council meeting.
COMMITTEE ON EQUAL OPPORTUNITIES REPORT	The Committee on Equal Opportunities report was provided in the agenda book.
MILITARY SPOUSE TASK FORCE OF KENTUCKY (MTSF)	Ms. Melissa Young, CPE’s Director of Grants Development and Special Projects, and Ms. Marlane Youngblood, Office of the Governor, presented the draft report of the Military Spouse Task Force (MTSF). The MTSF is a non-governmental, all-volunteer group with representatives from all of Kentucky’s military installations including Fort Knox, Fort Campbell, the Bluegrass Army Depot and the Kentucky National Guard. The mission of the MSTF is to work with state and local leaders, businesses, and community groups across the Commonwealth to expand the rights of military families, publicize benefits or special programs to assist military families, and raise awareness of the struggles military families face. The Council on Postsecondary Education staffed the work group, and it was chaired by Marlane Youngblood. The work group included campus military affairs representatives, staff from the Kentucky Higher Education Assistance Authority (KHEAA), a military spouse, and representatives from the Kentucky National Guard.
KENTUCKY VIRTUAL LIBRARY	A status report for the Kentucky Virtual Library was presented in the agenda. Mr. Christopher Mackie of Mindspring presented the cost, performance, and overall impact of the Mindspring Initiative.
REPORTS FROM INSTITUTIONS	Reports from the institutions were provided in the agenda book.
RESOLUTION	The Council presented a resolution honoring Dr. Janet Hoover for her service to the Council.
OTHER BUSINESS	Ms. Miller requested volunteers to serve on the CPE retreat committee. Ms. Miller requested volunteers to test electronic board books before implementation in early 2014.

NEXT MEETING

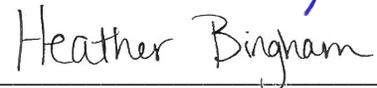
The next Council meeting is November 7, 2013, at the Madisonville Community College in Madisonville, Kentucky.

ADJOURNMENT

The meeting adjourned at 1:10 p.m., ET.



Robert L. King
CPE President



Heather M. Bingham
Associate, Executive Relations

Overview and Update on Efficiency and Innovation Objectives and Strategies

In February 2011, the Council on Postsecondary Education approved “Stronger by Degrees: A Strategic Agenda for Kentucky Postsecondary and Adult Education” for 2011-15. The Council staff will provide updates of the four focus areas of the Strategic Agenda throughout the year.

Council staff will present progress made toward the Efficiency and Innovation focus area. The Strategic Agenda includes two policy objectives to guide the postsecondary system’s work in this area.

- Policy Objective 8 – Increase academic productivity through program innovations.
- Policy Objective 9 – Maximize the use of postsecondary and adult education resources.

Council staff will provide information on performance metrics for this focus area and will update Council members on current and proposed state level strategies to make progress on these objectives.

The update on Policy Objective 8 will focus on disruptive technologies that hold the promise of simultaneously improving learning outcomes and expanding access to larger numbers of students, while reducing institution and student costs. Presenters include Dr. Jay Box, Chancellor, Kentucky Community and Technical College System and Mr. Allen Lind, CPE’s Vice President of Technology and eLearning. Dr. Box will discuss the successes being realized with the KCTCS Learn on Demand program and Mr. Lind will profile the continuing demand growth at all institutions for online classes and programs.

The update for Policy Objective 9 will highlight the progress toward the number of degrees awarded per \$100,000.

Staff preparation by Allen Lind and Bill Payne

**Commissioner Terry Holliday's Report
for
Nov. 7, 2013 Council on Postsecondary Education Meeting**

Current Issues:

Kentucky Selected to Join Network for Transforming Educator Preparation

Governor Steve Beshear held a press conference on Wednesday, October 23rd to announce that Kentucky is one of seven states selected by the Council of Chief State School Officers (CCSSO) to participate in a two-year pilot focused on transforming educator preparation and entry systems. CCSSO created the Network for Transforming Educator Preparation (NTEP) to support states ready to take action in key policy areas to ensure all educators are ready on the first day of their career to prepare their students for college, work, and life. The seven states selected include: Connecticut, Georgia, Idaho, Kentucky, Louisiana, Massachusetts, and Washington.

“Kentucky has long been a leader in education reform, thanks in large part to our enthusiastic and adaptive workforce of dedicated educators,” Gov. Beshear said. “Students learn best from well-prepared and well-trained teachers. The work of this pilot project supports our commitment to Kentucky’s children to provide them with a world-class education and to equip them with the knowledge and skills they need to succeed today and as our workforce of tomorrow.”

Over the next two years, the NTEP states will work with educators, training programs, colleges and universities, and school districts to improve the way states prepare the teacher workforce.

Clarifying Information on the Next Generation Science Standards

At the September 11, 2013 meeting of the Administrative Regulation Review Subcommittee (ARRS), the subcommittee found the update to the Kentucky Core Academic Standards’ regulation (704 KAR 3:303) to incorporate the research-based and internationally benchmarked science standards deficient. Unfortunately, the Kentucky Department of Education was unable to present its total body of evidence showing widespread support of these standards. This support includes:

- A petition bearing more than **2,000 additional signatures** in support of the science standards. Businesses, science communities, and universities all have been involved in the process and overwhelmingly support the new science standards.
- Support of the new science standards by the Kentucky Academy of Sciences, the Kentucky Science Teachers Association, the Kentucky Paleontological Society, the American Institute of Professional Geologists (Kentucky Section), Climate Parents (through a petition signed by 3,894 individuals), Kentuckians for Science Education, the University of Kentucky, the Kentucky Environmental Education Council and the Kentucky Association for Environmental Education
- Endorsement of the standards by more than 70 state and national groups including The Bayer Corporation, Chevron, CISCO Systems, Comcast, Corning, Inc., Dell Inc., DuPont, Eaton, Eli Lilly, ExxonMobil, IBM, Intel, Merck, Prudential, Raytheon, State Farm, Symantec, the Travelers Companies, Inc. and the 55,000 member National Science Teachers Association

- **3,800 positive comments in favor of adopting the science standards** and *fewer than 200* comments in opposition were made during the July public comment period on the regulation

Much distortion exists about what is and what is not included in the Next Generation Science Standards. To help clarify, **attached** is a handout titled “The Kentucky Core Academic Standards for Science: What You Need to Know” that will help to address some of the misinformation being circulated.

The Kentucky Board of Education fully supports the Next Generation Science Standards and the Governor’s implementation of these standards. Teachers are already starting to unpack the standards and participate in professional development on how to implement them. The standards will begin being taught during the 2014-15 school year and then the new science test and state accountability for these new standards will occur in the spring of 2016. Input from district superintendents overwhelmingly supports this timeline because it will allow teachers the time needed to transition to the new science standards before being held accountable for them.

The new Next Generation Science Standards will lead to literate graduates who will be better prepared to begin postsecondary experiences and to contribute meaningfully to Kentucky’s economy as members of a better prepared workforce.

Update on Districts Passing Policies in Response to SB 97 and “Blitz to 96”

The number of districts adopting a policy to raise the compulsory school age to 18 is now 132! I am very proud of the courage superintendents and local boards have shown in taking this action.

Districts that have adopted such a policy since August 8 when the ‘Blitz to 96’ celebration was held at the Capitol are: Walton-Verona Independent, Middlesboro Independent, Todd County, Hickman County, Fleming County, Gallatin County, Ohio County, Paintsville Independent, Ashland Independent, Allen County, Raceland-Worthington Independent and Calloway County. Congratulations to the superintendents and local board members in these districts!

Kentucky Board of Education Meeting October Agenda Items:

Board Approves Budget Priorities

At its October 8 session, the Kentucky Board of Education approved six items as the top priorities in the Kentucky Department of Education’s budget submission. Funding is the number one priority with a request to restore Support Education Excellence in Kentucky funding to 2009 levels of \$3,866 per student, requiring an additional \$60,000,000 in FY15 and \$90,000,000 in FY16 over current funding levels. The other priorities are Flexible Focus Funds, Technology, College- and Career-Readiness, District Turnaround Support and Capital Budget projects for the Kentucky Schools for the Blind and Deaf and FFA Leadership Centers.

The board and I emphasized the need for adequate and equitable funding and urged the General Assembly to seek new revenue sources to fund education needs. Additionally, the legislative agenda discussed by the board echoes these same priorities.

The KBE/KDE Biennial Budget Request for FY15/FY16 will be submitted to the Governor's Office of the State Budget Director in November 2013.

704 KAR 3:305 and 702 KAR 7:125 Approved In October

Revisions to 704 KAR 3:305, Minimum requirements for high school graduation were approved at the October meeting. In order to align with the requirements for SB 61 to meet the needs of students on an accelerated path, changes were made to allow them to earn a diploma early and move on into college. Within the regulation, early graduation and Early Graduation Certificate are defined, as well as the criteria students must meet to be eligible for early graduation. Under the regulation, half of the SEEK base funding for a student's senior year would go to the district and half would be available to the student as a college scholarship, providing he or she meets the requirements.

Another regulation, 704 KAR 7:125, Pupil attendance, was approved. Both regulations will now proceed through the public hearing process and legislative committee review process.

Progress Report Given on AdvanceKentucky

Joanne Lang, Kentucky Science and Technology Corporation (KSTC) Executive Vice President, gave a report to the state board on the 2013 progress of the AdvanceKentucky Program. AdvanceKentucky, a program designed to encourage more students to take Advance Placement classes, again had its participating schools perform well above state and national rates of improvement. According to Lang, "Since 2008, Kentucky has increased by 100%, the number of qualifying scores on AP exams in all subjects statewide compared to 49% for the United States. Kentucky has climbed in the national rankings among minority performances, which were double the rate for math, science and English."

Funding needs to continue this successful program were also communicated as follows:

- Unmet funding needs for expansion in the 2014-16 biennium are \$2 million to expand service to 12 more schools each year.
- An additional \$2.9 million are needed over the biennium for supporting schools that have entered into the Partner Program status to sustain efforts after initial participation.

Next KBE Meeting: December 4, 2013



The Kentucky Core Academic Standards in Science: What You Need to Know

Misconceptions and Facts

Misconception: The Kentucky Core Academic Standards (KCAS) in Science ignore basic science such as the study of plants and animals.

Fact: The KCAS in Science include ecosystems, life cycles, and interdependence—all key topics that focus on plants and animals. Plants and animals (organisms) are specifically addressed in multiple standards in elementary, middle and high school.

Misconception: The KCAS in Science do not have the support of the people of the Commonwealth.

Fact: The KCAS in Science are supported by the Prichard Committee for Academic Excellence; the Kentucky Academy of Sciences; the Kentucky Science Teachers Association; the Kentucky Paleontological Society; the American Institute of Professional Geologists, Kentucky Section; Climate Parents (through a petition signed by 3,894 individuals); Kentuckians for Science Education; the University of Kentucky; the Kentucky Environmental Education Council; and the Kentucky Association for Environmental Education. During the hearing before the Administrative Regulation Review Subcommittee, a witness introduced a petition bearing more than 2,000 additional signatures in support of the KCAS in Science.

Misconception: The list of scientific groups involved in the development of the standards, while impressive, did not have representation from Kentucky.

Fact: About 40 Kentuckians, including P-12 science teachers, state science and policy staff, administrators, higher education administrators and faculty, scientists, and engineers were involved in the development of the standards. Kentucky residents responded to the first public draft at the highest percentage rate of any state, and were in the top 15 percent of states in responding to the second public release. Some of the Kentucky feedback prompted improvements in the standards prior to final release.

Misconception: Senate Bill 1 (2009) requires that educational standards be specific and detailed.

Fact: Standards are to convey what a student should know or be able to do as a culmination to a year of learning. Standards containing sufficient detail to be used as a curriculum would violate Kentucky's statutes regarding school-based decision making councils by imposing a de facto curriculum on schools.

Misconception: The KCAS in Science make it unclear to school-based councils at local schools how to write curriculum. For example, it would be impossible to derive a high school physics or chemistry course from the standards.

Fact: It is not the purpose of science standards to define individual course curricula, especially for courses such as chemistry and physics. The KCAS in Science are not a curriculum. The KCAS in Science are a clear set of expectations for what knowledge and skills will help students succeed.

Misconception: The KCAS in Science eliminate the study of chemistry and most of physics.

Fact: Not true. Five of the 16 topics in the high school standards contain physical science topics that could be taught in either a chemistry or physics class. The five chemistry and physics topics are: Structure and Properties of Matter; Chemical Reactions; Energy; Forces and Interactions; and Waves and Electromagnetic Radiation.

Misconception: The KCAS in Science contain an extreme emphasis on sustainability, global environmentalism and reducing human impact on the earth.

Fact: Global climate research is increasing in prominence and importance within the scientific and science education communities. Including climate research as part of the KCAS in Science accurately reflects the current state of scientific thought. KDE received nearly 4,000 comments of support for the inclusion of climate change/global warming concepts in the KCAS in Science.



Misconception: *The KCAS in Science will discourage students from going into scientific fields of study by eliminating essential science content.*

Fact: The standards represent the minimum content students are required to master, not a ‘ceiling’. Every school and district has the freedom to supplement the standards to create curricula appropriate for their students, and to add additional topics as they see fit.

Misconception: *No changes were made to the regulation even though most people who commented on the regulation asked for changes.*

Fact: Because supporting comments were far more numerous, and represented the opinions of business leaders, science teachers, science researchers, institutions of higher education, the business community, and Kentucky citizens, KBE determined that no amendment to the regulation was necessary or appropriate.

Misconception: *The KCAS in Science are part of the Common Core, which Kentuckians do not want.*

Fact: The KCAS in Science are not a part of the Common Core State Standards initiative, and were developed through a different process and in compliance with state law (SB 1 – 2009), which required the revision of all content area standards.

Misconception: *The Fordham Institute criticized the KCAS in Science and stated that Kentucky should not adopt them; many Kentuckians agree.*

Fact: The Fordham report does not advocate for or against the KCAS in Science. The most striking statement from the Fordham Report is this: “Evaluated against our criteria, [the standards] earned a higher score than the standards currently in place in twenty-six states [including Kentucky]. If schools in those states aligned their curricula and instruction to the [standards], their students would likely be better off when it comes to science education.”

Misconception: *The KCAS in Science do not line up with the standards for mathematics.*

Fact: Every topic page of the KCAS in Science is correlated with the Kentucky Core Academic Standards in Mathematics.

Misconception: *There are many issues with the inclusion of evolution in the KCAS in Science.*

Fact: The concept of evolution already exists in the current version of the KCAS in Science, and has been assessed since those standards were adopted in 2006. The KCAS in Science, in fact, contain a decreased number of standards related to biological evolution.



Misconception: *The KCAS in Science do not permit the teaching of creationism or intelligent design.*

Fact: Courts have repeatedly declared unconstitutional the teaching of creationism and intelligent design as part of a science class on the basis that such teaching violates the Establishment Clause of the First Amendment to the United States Constitution.

Misconception: *Some familiar science words are missing from the KCAS in Science, and that means those topics will not or cannot be taught.*

Fact: The absence of specific words from the standards does not imply their absence from the science curricula of individual schools and districts.

Misconception: *The present science standards are adequate, and no update is necessary.*

Fact: Kentucky’s present science standards have been rated among the worst in the country. Fordham noted “gaping content holes” in awarding Kentucky’s present standards a two out of seven for content and rigor, and an overall grade of “D.”

Scientific literacy is essential for success in the 21st-century, especially in STEM careers. College- and career-ready students are able to apply scientific reasoning, both in school and in their work, and the investigation of complex and developing science concepts strengthens these vital skills. The KCAS in Science will lead to scientifically literate graduates that will be better prepared to begin postsecondary experiences and to contribute meaningfully to Kentucky’s economy as members of a better prepared workforce.



2014-16 Postsecondary Education Budget Recommendation Executive Summary

The Kentucky Postsecondary Education Improvement Act of 1997 (House Bill 1), codified under KRS 164.020, authorizes the Council on Postsecondary Education to submit to the Governor and General Assembly the biennial budget recommendation for the postsecondary education sector and its nine institutions.

ACTION: The staff recommends that the Council approve the budget recommendation as submitted for 2014-16.

Overview

Over the past five years, Kentucky's public postsecondary system has faced a challenging resource environment that has strained institutional operating budgets and threatens to impede continuing progress toward attainment of the goals and objectives outlined in *The Postsecondary Education Improvement Act (HB 1, 1997)* and the Council's *2011-15 Strategic Agenda for Kentucky Postsecondary and Adult Education*. Between fiscal years 2007-08 and 2012-13, the institutions sustained six budget cuts, losing a total of \$168.0 million or 15.5 percent of their combined net General Fund appropriations. During that same period, the number of full-time equivalent students attending state colleges and universities increased by 13,095 students or 9.0 percent.

At the February 2013 Council meeting, staff shared data showing that on an inflation-adjusted basis, Kentucky's public postsecondary system was expected to lose about \$2,592 per student or 32 percent of its real net General Fund appropriations per student between fiscal years 2007-08 and 2012-13. At some institutions that loss was offset by increased tuition and fee revenue, but at the system level, growth in tuition revenue has not been sufficient to fully fund the gap caused by declining state support. Institutions have responded to this funding deficit by implementing aggressive cost containment and avoidance strategies and reallocating funds from other purposes to maintain programmatic integrity. These actions helped produce cost savings and efficiencies that enabled the postsecondary system to maintain quality and move forward on improvement efforts in a fiscally challenging environment.

The ongoing economic and fiscal uncertainty provides a challenging environment for the Council to make a reasonable yet aggressive 2014-16 budget recommendation that is consistent with the mandates of HB 1 and closely aligned with the Council's *2011-15 Strategic Agenda*. HB 1 charges postsecondary education with primary responsibility for

increasing the skills and abilities of Kentucky's workforce and citizenry, leading to an improved quality of life and higher standards of living for all Kentuckians.

2014-16 Budget Development Process

Beginning in April 2013, Council staff began meeting regularly (for the most part monthly) with campus presidents and chief budget officers (CBOs), as well as the Council's Budget Development Workgroup, to discuss and develop the 2014-16 postsecondary education budget recommendation. The workgroup, chaired by Dan Flanagan and including members Glenn Denton, Joe Graviss, Carolyn Ridley, and Robert Staat, provided direction and valuable input to the budget development process, meeting eight times with staff over the past eight months to discuss core elements of the recommendation. Throughout the process, the workgroup reinforced the imperative of achieving strong alignment with the Council's *2011-15 Strategic Agenda*.

The Council staff is pleased to report that after months of collaboration and deliberation, a 2014-16 postsecondary education budget recommendation to the Governor and General Assembly has been developed that staff believes will be endorsed by a majority of Kentucky's public college and university presidents.

The 2014-16 budget recommendation is comprised of four major funding categories: (a) institutional operating funds; (b) strategic investment and incentive trust funds; (c) capital investments and information technology; and (d) the CPE agency budget. Recommended funding levels and programmatic emphases for each of these categories are described below.

Institutional Operating Funds

General Funds for institutional operations, along with tuition and fee revenue, support education and general (E&G) expenditures on campus, including faculty and staff salaries and benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. Institutional operating funds are also used to pursue more specialized activities and initiatives that further the goals of *The Postsecondary Education Improvement Act (HB 1, 1997)* and the objectives of the Council's *2011-15 Strategic Agenda for Kentucky Postsecondary and Adult Education*.

As can be seen in Table 1, the Council's 2014-16 operating funds request contains base adjustments and strategic investments. Base adjustments are technical in nature and relate to existing postsecondary obligations, including changes in state supported debt service and the University of Louisville hospital contract. Strategic investments, which comprise the lion's share of the request, typically represent additional budget requests (new money) for programs and initiatives that are well aligned with the goals and objectives of HB 1 and the *2011-15 Strategic Agenda*.

The Council staff is recommending appropriations of \$50,567,800 in fiscal year 2014-15 and \$51,949,700 in fiscal year 2015-16 to support strategic investments that will allow the

public postsecondary system to continue making progress toward attainment of HB 1 and *2011-15 Strategic Agenda* goals and objectives. Components of the strategic investments request include college and career readiness, research and economic development, a new performance funding program, land grant mission funds, and a Kentucky Adult Learner Initiative. Each of these components is described briefly below.

Table 1: Components of 2014-16 Operating Funds Request

Description	2014-15	2015-16
Beginning Base (2013-14 Total General Fund)	\$941,574,700	\$941,574,700
Base Adjustments	(4,156,300)	(2,495,400)
Strategic Investments:		
College and Career Readiness	19,185,900	19,185,900
Research and Economic Development	12,000,000	12,000,000
Performance Funding (Degree Production)	18,000,000	18,000,000 ^(a)
UK/KSU Land Grant Mission Funds	1,381,900	2,763,800
Kentucky Adult Learner Initiative	0 ^(b)	0 ^(b)
Subtotal	50,567,800	51,949,700
Total Operating Funds Request	\$987,986,200	\$991,029,000

^(a) Does not include an additional \$18.0 million for Performance Funding, which will be requested as part of CPE's agency budget in fiscal year 2015-16, pending distribution to the institutions when academic year 2013-14 degree numbers are known.

^(b) Does not include \$2.4 million for the Kentucky Adult Learner Initiative, which will be requested as part of CPE's agency budget in fiscal years 2014-15 and 2015-16, pending distribution to the institutions when campus participation levels are known.

College and Career Readiness: This program is designed to increase college preparation levels of Kentucky residents entering postsecondary education. This aim will be accomplished by: (a) implementing a Clinical Model of teacher preparation at the public universities; (b) improving diagnostic assessment and placement testing at middle and high schools; (c) supporting development of transitional courses and summer bridge programs to address academic deficiencies; (d) creating a new model of developmental education that places students in credit bearing courses with academic support; and (e) providing professional development to improve instruction and support student learning.

The College and Career Readiness Program is well aligned with the following *2011-15 Strategic Agenda* objectives and strategies:

Policy Objective 1: Increase the number of college ready Kentuckians entering postsecondary education.

- Strategy 1.2. Support effective intervention strategies for underprepared students prior to postsecondary admission.

Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and school leaders.

- Strategy 3.1. Ensure K-12 educator preparation programs attract, retain, and prepare highly effective teachers and school leaders.
- Strategy 3.2. Expand the role of higher education institutions in the delivery of professional development programs for teachers, school leaders, guidance counselors, adult education instructors, and faculty members.

Research and Economic Development: This initiative supports creation of “Centers of Research Excellence” at the University of Kentucky and University of Louisville through targeted cluster hires in research focus areas that address important state needs and have ties to growing or promising business and industry sectors. Creating a critical mass of scholars in high-potential focus areas will bolster recruitment and retention of outstanding research faculty and staff in both targeted and related disciplines, increase federal and extramural research funding, accelerate translation of discoveries from technological development to commercial utility, and support economic development and improved quality of life in Kentucky.

The Research and Economic Development Program is well aligned with the following 2011-15 *Strategic Agenda* objectives and strategies:

Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

- Strategy 6.1. Support the critical role that the University of Kentucky and the University of Louisville play in the creation of new knowledge and recognize universities and faculty members for the advancement of knowledge and enlightenment.
- Strategy 6.2. Support collaborative research efforts that leverage university expertise, lead to research investments and commercialization in high-growth or emerging areas, and are aligned with business and industry growth.
- Strategy 6.4. Secure additional funding for research matching programs and explore new funding approaches to maximize research, *Kentucky Innovation Act* investments, and multi-campus collaborations.

Performance Funding (Degree Production): This is a new performance funding approach that provides incentives for institutions to increase the number of high-quality degrees they produce by linking funding to outcomes. Program funds will be distributed among the institutions based on each institution's share of a rolling three-year average of total annual degrees produced, weighted by level, with premiums for STEM+H, underrepresented student, and low-income student degrees, then adjusted using average salary data by sector as a proxy for cost of instruction.

The Performance Funding Program is well aligned with the following *2011-15 Strategic Agenda* objectives and strategies:

Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for lower-income, underprepared, and underrepresented minority students.

- Strategy 4.2. Provide institution and student incentives to increase high-quality degree production and completion rates.
- Strategy 4.5. Secure adequate institutional funding to support high-quality faculty and staff, effective student and academic support services, technology enhancements, and other resources to enhance student success.

Land Grant Mission Funds: This is a new initiative that will help maintain service levels and programmatic activities of land grant programs at the University of Kentucky and Kentucky State University. These funds will help sustain the effectiveness and impact of outreach, service, and applied research at Kentucky's land grant programs, and provide continuing support for science-based education in agriculture, natural resources, foods and nutrition, and community development.

Kentucky Adult Learner Initiative: This is a new program designed to increase college attainment of Kentucky's adult population through online learning opportunities. It is an outgrowth of the Adult Learner Degree Attainment Initiative (HB 265) that directs the Council to work with public four-year universities and KCTCS to help develop and improve educational opportunities for adult learners. The Council and institutions are developing a statewide postsecondary alliance, whose primary mission will be to meet the higher education needs of Kentucky's adult population through online learning and credit for prior learning.

The Kentucky Adult Learner Initiative is well aligned with the following *2011-15 Strategic Agenda* objectives and strategies:

Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for lower-income, underprepared, and underrepresented minority students.

- Strategy 4.4. Support new pathways for adult learners to enroll and complete postsecondary degrees and credentials.

Policy Objective 8: Increase academic productivity through program innovations.

- Strategy 8.1. Increase productivity and maximize success for both traditional and nontraditional students through course redesign and alternative methods of program delivery.

- Strategy 8.2. Build upon the success of Kentucky’s Virtual Campus and Virtual Library to maximize the use of technology in implementing academic innovations.

Strategic Investment and Incentive Trust Funds

The *Postsecondary Education Improvement Act of 1997* (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky’s colleges and universities by providing strategic financial incentives that advance the state’s goals for postsecondary education. When the General Assembly provides appropriations for the trust funds, they typically are maintained and administered by the Council, but represent resources that are passed through to postsecondary institutions based on compliance with Council approved guidelines and procedures. The purpose of such funds is to accelerate statewide achievement of reform goals.

Major components of the staff’s 2014-16 Trust Funds recommendation include Bucks for Brains and a new Workforce Development Match Program (Table 2). Each of these components is described in more detail below.

Table 2: Components of 2014-16 Trust Funds Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Bucks for Brains (Debt Service)	\$0	\$8,382,000 ^(a)
Workforce Development Match Program (Debt Service)	0	468,000 ^(b)
Total Trust Funds Request	\$0	\$8,850,000

^(a) Debt service on a \$90.0 million bond issue for Bucks for Brains.

^(b) Debt service on a \$5.0 million bond issue for a new Workforce Development Match Program.

Bucks for Brains: This program is a key strategic funding component of Kentucky’s postsecondary reform agenda. It matches state appropriations with private gifts to encourage research at the University of Kentucky and the University of Louisville and to strengthen vital programs at Kentucky’s comprehensive universities. Typically, state and private funds are endowed, which provides a perpetual source of funding for research related activities. Returns are used to create endowed chairs and professorships and establish endowed scholarship and fellowship programs. Beginning in 2008-10, program funds could also be used to construct new research or E&G facilities and upgrade equipment.

The Bucks for Brains Program is well aligned with the following *2011-15 Strategic Agenda* objectives and strategies:

Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

- Strategy 6.1. Support the critical role that the University of Kentucky and the University of Louisville play in the creation of new knowledge and recognize universities and faculty members for the advancement of knowledge and enlightenment.
- Strategy 6.4. Secure additional funding for research matching programs and explore new funding approaches to maximize research, *Kentucky Innovation Act* investments, and multi-campus collaborations.

Workforce Development Match Program: This is a new program that is the two-year college equivalent of Bucks for Brains for the four-year universities, but rather than supporting research, it will strengthen workforce education and training programs in targeted focus areas to meet critical employment needs in Kentucky. State funding for this program will be matched dollar for dollar with private gifts and the resulting total will be endowed to provide a perpetual source of funding for KCTCS workforce development activities. Proceeds from the endowments will be used to support faculty and staff positions, student scholarships, and workforce education and training infrastructure.

The Workforce Development Match Program is well aligned with the following 2011-15 *Strategic Agenda* objectives and strategies:

Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

- Strategy 7.1. Strengthen and expand partnerships with business, industry, government, non-profit, and other educational entities to meet Kentucky's workforce and community needs.

Capital Investments and Information Technology

Each biennium the Council is asked to present a recommendation to the Governor and General Assembly that identifies the capital needs of Kentucky's public postsecondary institutions. Two years ago, staff recommended that the Council and elected leadership of the Commonwealth commit to a capital investment strategy that provides a consistent level of funding over three biennia. For 2014-16, staff again advocates that the Council adopt a multi-biennial approach, which invests more heavily in asset preservation and renovation, while continuing to provide a sufficient level of new and expanded space to accommodate continuing enrollment growth of the public postsecondary system.

As can be seen in Table 3, the recommended capital investments and technology initiatives request includes funding components for asset preservation and renovation, new and expanded space, and information technology initiatives. A brief description of each of these components is provided below.

Table 3: Components of 2014-16 Capital and Technology Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Asset Preservation and Renovation	\$0	\$29,612,000 ^(a)
New and Expanded Space	\$0	\$26,260,000 ^(b)
Information Technology Initiatives	0	8,349,000 ^(c)
Total Capital and Technology Request	\$0	\$64,221,000

^(a) Annual debt service payment on a \$318.0 million bond issue to fund asset preservation and renovation projects on postsecondary institution campuses.

^(b) Annual debt service payment on a \$282.0 million bond issue to fund new and expanded space (E&G and research) on postsecondary institution campuses.

^(c) Annual debt service payment on a \$60.0 million bond issue to fund information technology initiatives at the postsecondary institutions and CPE.

Asset Preservation and Renovation: The Council staff recommends \$318.0 million in state bonds to fund asset preservation and renovation projects to begin addressing a backlog of over \$6.1 billion in asset preservation needs identified in a VFA statewide facilities study (2007). Among many findings in that study, VFA recommended that buildings should serve current and future programmatic needs either by design or retrofit. Funds are allocated among the institutions using a blended distribution approach endorsed by campus officials.

New/Expanded Space: The Council staff recommends \$282.0 million in state bonds to build new and expanded E&G and research space on public postsecondary campuses. These funds will provide additional capacity to accommodate increasing numbers of students coming into the system and further the goals and objectives of HB 1 (1997) and the Council's 2011-15 *Strategic Agenda* to increase access and degree production and expand research capacity. If approved and authorized, the recommended funds will be distributed among the institutions using an agreed upon blended approach.

Information Technology: Staff recommends \$60.0 million in state bonds to support information technology initiatives at the postsecondary institutions and CPE, including postsecondary network infrastructure upgrades, replacement of instructional and administrative systems, investments in system upgrades, replacement of aging and obsolete systems, and expanded capacity. A special \$1.2 million allocation from this pool is reserved to implement an Adult Learner Initiative (HB 265).

Institutionally Funded Projects: Staff recommends that the Council endorse and support agency bond authority at a level that allows completion of each institution's highest priority agency-bond-funded capital projects. The Council staff recommends authorization of agency, federal, private, and other fund source projects to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. The Council staff recommends authorization of nine projects to improve energy efficiency in campus buildings including energy equipment acquisitions and infrastructure repair and upgrades.

CPE Agency Budget

The Council staff recommends that the Council request increases in General Fund appropriations of \$2,071,700 in 2014-15 and \$3,316,600 in 2015-16 to support the agency's statewide postsecondary education coordinating board role. When added to the agency's enacted 2013-14 General Fund base of \$43,933,000, these increases result in total appropriations of \$46,004,700 in 2014-15 and \$47,249,600 in 2015-16 (excluding postsecondary institution funds and debt service).

The Council staff's agency budget recommendation can be broken down into five main categories: (1) agency staff and operating costs; (2) Kentucky Adult Education (KYAE) local program providers; (3) student aid and assistance; (4) technology and academic support; and (5) research and economic development. Each of these components is described briefly below. For most agency budget components, the Council staff is recommending a modest 2 percent inflationary increase in the first year of the biennium and a 4 percent increase in the second year. These increases are intended to help maintain buying power in budget areas that have seen substantial cuts in recent years.

Major components of the agency budget request are shown in Table 4, followed by a brief description of each component.

Table 4: Components of 2014-16 Agency Budget Request

Description	2014-15	2015-16
Beginning Base (2013-14 General Fund)	\$43,933,000	\$43,933,000
Additional Budget Requests For:		
Agency Staff and Operating Costs	451,900	859,900
KYAE Local Program Providers	1,114,300	1,466,100
Student Aid and Assistance	305,300	590,300
Technology and Academic Support	85,800	171,600
Research and Economic Development	114,400	228,700
Subtotal ^{(a)(b)}	2,071,700	3,316,600
Total Agency Budget Request	\$46,004,700	\$47,249,600

(a) Does not include \$2.4 million in 2014-15 or \$20.4 million in 2015-16 for an Adult Learner Initiative and a Performance Funding Program for the postsecondary institutions.

(b) Does not include \$73.1 million in debt service for asset preservation, renovation, and new or expanded space projects at the postsecondary institutions, for an information technology pool, for a fifth round of Bucks for Brains funding, or for a new Workforce Development Match Program, which will be housed in several CPE trust funds.

Agency Staff and Operating Costs: The Council is required under the 2014-16 Branch Budget Guidelines to request appropriations to cover cost increases related to statutory cost of living salary adjustments and increases in Kentucky Employee Retirement System (KERS) contributions. In 2014-16, over 90 percent of proposed increases in agency staff and operating costs stem from defined calculations and mandated salary adjustments.

KYAE Local Program Providers: Funds for the Adult Education and Literacy Funding Program support local providers of adult education services throughout Kentucky. On a percentage basis, the recommended increases are similar to increases being requested on behalf of the public postsecondary institutions each year of the biennium. If approved and authorized, the lion's share of these funds will be distributed among the KYAE local program providers based on relative need for program services in each county of the Commonwealth.

Student Aid and Assistance: Every year, a small number of student financial aid and assistance programs are funded through the Council's agency budget. In 2014-16, requested increases for Contract Spaces and the SREB Doctoral Scholars Program comprise over 95 percent of the total increase for student aid and assistance programs. The Contract Spaces Program allows Kentucky residents to attend out-of-state veterinary and optometry schools at in-state tuition rates. Requested increases for this program will maintain the current number of reserved spaces for Kentucky students and cover anticipated tuition increases in academic years 2014-15 and 2015-16 for these programs. Additional funding for the SREB Doctoral Scholars Program will allow for two additional participants in this program (for a total of five) which assists underrepresented minorities in obtaining doctoral degrees.

Technology and Academic Support: Staff recommends inflationary increases to support statewide information technology and academic support services provided by the Kentucky Virtual Campus (KYVC), the Kentucky Virtual Library (KYVL), the Kentucky Postsecondary Education Network (KPEN), and the Kentucky Postsecondary Education Data System (KPEDS). In addition, staff recommends that the Council endorse continuation funding for K-12 teacher quality initiatives funded through SB 1, which have produced impressive results in the first few years of program implementation through teacher professional development and P-12 and postsecondary institution partnerships.

Research and Economic Development: These funds primarily support Kentucky Science and Technology Corporation (KSTC) programs to stimulate innovation and create high-paying jobs. Staff recommends inflationary increases for KSTC's two major programs, the Kentucky Science and Engineering Foundation and the Kentucky Enterprise Fund.

Postsecondary Institutions: The agency budget includes \$18.0 million in fiscal year 2015-16 for a postsecondary institution Performance Funding Program (i.e., Degree Production) and \$2.4 million in start-up funds each year of the biennium for a Kentucky Adult Learner Initiative, which is still in development. Degree Production funds will be allocated among institutions and disbursed when academic year 2013-14 degree numbers are known. The requested funds for the adult learner initiative are vital to the success of this program and will be distributed among institutions when campus participation levels are known.

Debt Service: The agency budget request includes annual debt service associated with requests for \$318.0 million in bond funds to support asset preservation and renovation projects at the postsecondary institutions, \$282.0 million in bond funds to support new and expanded facilities space at the institutions, and \$60.0 million in bond funds to support information technology initiatives for the system, as well as, debt service on a \$90.0 million

bond issue for a fifth round of Bucks for Brains funding for the research and comprehensive universities and \$5.0 million in bond funds for a new Workforce Development Match Program for KCTCS.

Staff preparation by Bill Payne, Sherron Jackson, Shaun McKiernan, and Scott Boelscher

2014-16 Postsecondary Education Budget Recommendation Institutional Operating Funds

The primary way that Kentucky finances its public postsecondary system and supports the teaching, research, and public service missions of individual colleges and universities is by appropriating state General Funds for institutional operations. These funds, along with tuition, support education and general (E&G) expenditures on campus, including faculty and staff salaries, fringe benefits, student financial aid, utilities, building maintenance, libraries, student support services, and numerous other operating expenses. When available, these funds also strengthen strategic initiatives consistent with the mandates of House Bill 1 (1997).

- The Council staff recommends that the Council request total General Fund appropriations of \$987,986,200 in 2014-15 and \$991,029,000 in 2015-16 to support public postsecondary institution operations.

A detailed breakdown of the request by institution is provided in Attachment A. As can be seen in the attachment, the recommended totals represent an increase of \$46,411,500 in 2014-15 and an increase of \$49,454,300 in 2015-16, over the 2013-14 total postsecondary General Fund appropriation.

Major components of the 2014-16 operating recommendation include base adjustments and strategic investments (Table 1). Each of these components are described in more detail below.

Table 1: Components of 2014-16 Institutional Operating Funds Request

Description	2014-15	2015-16
Beginning Base (2013-14 Total General Fund)	\$941,574,700	\$941,574,700
Changes & Additions:		
Base Adjustments	(4,156,300)	(2,495,400)
Strategic Investments	50,567,800	51,949,700
Total Operating Funds Request	\$987,986,200	\$991,029,000

Base Adjustments

Base adjustments are technical in nature and primarily relate to existing state obligations for postsecondary education, such as changes in state-supported debt service and changes in the

University of Louisville’s hospital contract. Components of the base adjustments request are shown in Table 2 below, followed by a brief description of each component.

Table 2: Components of 2014-16 Base Adjustments Request

Description	2014-15	2015-16
Changes from 2013-14:		
Debt Service	(\$4,471,700)	(\$3,132,300)
UofL Hospital Contract	315,400	636,900
KERS Increases	0	0
403(b) Plan Increases	0	0
Total Base Adjustments Request	(\$4,156,300)	(\$2,495,400)

Even during budget cycles with anticipated cuts, or no new General Fund revenue, the Council has requested, and public institutions have received, technical adjustments to their base funding.

Debt Service. Prior to 1998, when bonds were issued to finance the construction of state-supported postsecondary facilities, the resulting liability was accounted for at the institutional level, and the General Assembly provided funding for debt service, which was included in institutional base budgets and line-itemed in appropriations bills. Over time, as new debt was issued and mature debt retired, changes in debt service obligations occurred making periodic adjustments to the base necessary to reflect these changes.

Following higher education reform, debt service for new, state-funded postsecondary projects has resided within the Finance and Administration Cabinet’s budget. What remains in the General Fund base of some postsecondary institutions is funding for debt service obligations on more mature bonds (i.e., those issued prior to 1998), which has decreased over the last decade due to debt retirement. In 2013-14, the General Assembly appropriated \$4,471,700 for debt service obligations on bond indebtedness maintained at the institutional level.

- The Council staff recommends that the Council request appropriations of \$0 in 2014-15 and \$1,339,400 in 2015-16 for debt service requirements on institutional bond issues supported by state appropriations and paid by the institution.

These amounts represent reductions in debt service of \$4,471,700 in 2014-15 and \$3,132,300 in 2015-16 compared to the debt service level in 2013-14.

UofL Hospital Contract. In 1983, the University of Louisville and the University Medical Center entered into a contractual agreement with Metro Louisville and the Commonwealth of Kentucky to provide hospital care services to economically disadvantaged citizens of the Louisville/Jefferson County metropolitan area. The university receives annual, line-item appropriations for the Quality and Charity Care Trust (QCCT) to provide these services,

which are adjusted over time for inflation. UofL's enacted appropriation for the QCCT totaled \$21,089,600 in 2013-14.

- The Council staff recommends that the Council request appropriations of \$21,405,000 in 2014-15 and \$21,726,500 in 2015-16 to support QCCT agreement services provided by the University of Louisville Hospital.

These amounts represent increases of \$315,400 in 2014-15 and \$636,900 in 2015-16 compared to 2013-14 to reflect anticipated increases in contract costs.

KERS Increases. Senate Bill 2, which passed during the 2013 Regular Session of the General Assembly, requires employers to pay the full actuarially required employer contributions to the Kentucky Employee Retirement System (KERS) beginning in fiscal year 2015. KERS staff estimates that the employer contribution rates for non-hazardous positions will increase from 26.79 percent in fiscal year 2013-14 to 38.41 percent in fiscal year 2014-15 and to 38.80 percent in fiscal year 2015-16. These rate increases will dramatically increase employer paid retirement contributions of state agencies and public postsecondary institutions that have participating KERS employees.

The 2013 General Assembly also passed a revenue bill (HB 440) that is expected to generate about \$95 million in additional tax receipts in fiscal year 2014-15. While these funds have not been explicitly earmarked to cover the cost of retirement system increases, they could be used for that purpose. The Council on Postsecondary Education fully supports and endorses any funding that the Governor and General Assembly could provide to help the postsecondary institutions defray the cost of state mandated KERS cost increases.

403(b) Plan Increases. Public postsecondary institutions with defined retirement contribution programs, such as 403(b) plans, were required to adopt GASB 45 (Other Post Employment Benefits, OPEB) beginning July 1, 2007. Under GASB 45, employers could immediately fully fund a Trust with the accrued liability for its current retirees and current employees, or it could amortize that cost over a 30-year period. Most employers chose the latter option.

Many institutions, including the University of Kentucky, the University of Louisville, and KCTCS, went through an onerous, but thoughtful process, which reduced retiree health benefits, including the elimination of a subsidy for employees hired after a certain date. However, the actuarial accrued liability (AAL) that is amortized over 30 years (annual retirement contribution, or ARC) is substantially greater (almost double in some cases) than the pre-GASB 45 amount, resulting in increased costs and the elimination of the subsidy has had a negative impact on faculty and staff recruitment. As a result, the Council on Postsecondary Education supports recognition and funding of this increased cost with General Funds.

Strategic Investments

At its February 3, 2011, meeting, the Council approved the 2011-15 Strategic Agenda for Postsecondary and Adult Education. The agenda highlights four policy areas that demand sustained attention if Kentucky is to make substantive progress toward the vision and goals articulated in the *Postsecondary Education Improvement Act of 1997 (HB 1)*. These policy areas are (a) college readiness; (b) student success; (c) research, economic, and community development; and (d) efficiency and innovation.

The Council staff's 2014-16 budget recommendation for postsecondary institution operations is well aligned with HB 1 goals and with the objectives and strategies outlined in the Council's 2011-15 Strategic Agenda. As can be seen in Table 3, the recommended strategic investments request includes funding components for college and career readiness, research and economic development, performance funding, UK/KSU land grant mission funds, and a Kentucky Adult Learner Initiative. Each of these components is described briefly below.

Table 3: Components of 2014-16 Strategic Investments Request

Description	2014-15	2015-16
Additional Budget Requests For:		
College and Career Readiness	\$19,185,900	\$19,185,900
Research and Economic Development	12,000,000	12,000,000
Performance Funding (Degree Production)	18,000,000	18,000,000 ^(a)
UK/KSU Land Grant Mission Funds	1,381,900	2,763,800
Kentucky Adult Learner Initiative	0 ^(b)	0 ^(b)
Total Strategic Investments Request	\$50,567,800	\$51,949,700

^(a) Does not include an additional \$18.0 million for Performance Funding, which will be requested as part of CPE's agency budget in fiscal year 2015-16, pending distribution to the institutions when academic year 2013-14 degree numbers are known.

^(b) Does not include \$2.4 million for the Kentucky Adult Learner Initiative, which will be requested as part of CPE's agency budget in fiscal years 2014-15 and 2015-16, pending distribution to the institutions when campus participation levels are known.

College and Career Readiness. Students who are not academically prepared for college face greater obstacles to degree completion than those who enroll college ready. Developmental education lengthens a student's time-to-degree, increases costs, and consumes institutional resources. While Kentucky has made great strides in ensuring that a growing proportion of its students are ready for college, many still matriculate unprepared for the rigors of higher education.

With passage of Senate Bill 1 (2009), college readiness moved to the forefront of Kentucky's postsecondary education policy agenda. Strengthening K-12 educator programs and expanding the role of higher education institutions in the delivery of professional development

programs for teachers, school leaders, guidance counselors, adult education instructors, and faculty members are principal objectives of the Council's college readiness agenda.

- The Council staff recommends that the Council request appropriations of \$19,185,900 in fiscal year 2014-15 and \$19,185,900 in fiscal year 2015-16 to support college and career readiness and SB 1 initiatives at the public, four-year universities and KCTCS.

These funds will be distributed among the public four-year universities and KCTCS using a formula that allocates \$5.5 million of College and Career Pathway funds to institutions according to the number of middle and high schools in each institution's service region; \$6.0 million of teacher preparation funds among the public four-year universities according to each institution's share of total K-12 teachers produced; and \$7.7 million of developmental education funds among the public four-year universities and KCTCS according to each institution's share of total developmental education students served (Attachment B).

Research and Economic Development. Over the past decade, Kentucky's research universities have nearly doubled the market value of their endowment assets, attracted and retained world-renowned researchers, and more than doubled their federal research funding. While these achievements are noteworthy, the state's economy has been slow to transform and a number of challenges remain. Kentucky currently ranks in the bottom quintile among U.S. states on the New Economy Index on the proportion of STEM degrees produced by its universities and on generation of academic R&D expenditures per capita.

The Council's 2011-15 Strategic Agenda calls for Kentucky universities to increase basic, applied, and translational research to create new knowledge and economic growth. It highlights the critical roles that the University of Kentucky and the University of Louisville play in the creation of new knowledge, as well as the importance of additional funding and new funding approaches to maximize research, *Kentucky Innovation Act* investments, and multi-campus collaborations.

In keeping with the aims of the Strategic Agenda, staff recommends investment in research and economic development at the University of Kentucky and the University of Louisville to support targeted cluster hires in research focus areas that address important state needs. By hiring prominent researchers in areas of established campus expertise that strengthen ties to business and industry, promote collaboration among institutions, and confront pressing state problems, the research universities can create "Centers of Research Excellence" that will benefit Kentucky's citizens.

Creating a critical mass of scholars in high potential focus areas will bolster recruitment and retention of outstanding research faculty and staff in both targeted and related disciplines, increase federal and extramural research funding, accelerate translation of discoveries from technological development to commercial utility, and support economic development and improved quality of life in Kentucky.

- The Council staff recommends that the Council request appropriations of \$12,000,000 in fiscal year 2014-15 and \$12,000,000 in fiscal year 2015-16 to support targeted cluster hires that will create “Centers of Research Excellence” at the University of Kentucky and the University of Louisville.

The funds will be allocated one-third to the University of Louisville and two-thirds to the University of Kentucky, based on traditional statutory allocations of the Research Challenge Trust Fund. They will be used to recruit and retain renowned research faculty and staff in identified focus areas, bolster critical research infrastructure in those areas, and leverage or attract federally-sponsored centers, programs, and research grants to Kentucky.

Performance Funding (Degree Production). The Council’s 2011-15 Strategic Agenda calls for Kentucky’s postsecondary education system to increase high-quality degree production and completion rates at all levels and to close achievement gaps among low-income, underprepared, and minority students. Providing incentives to increase high-quality degree production and student completion rates, as well as securing adequate institutional funding to support faculty and staff, support services, and technology enhancements, are identified as important strategies for achieving the state’s student success goals.

- The Council staff recommends that the Council request \$18,000,000 in fiscal year 2014-15 and \$18,000,000 in fiscal year 2015-16 for a new performance funding initiative that will provide monetary incentives for institutions to make progress toward achieving Kentucky’s HB 1 degree attainment goals.

If approved by the Council and appropriated by the General Assembly, these funds will be distributed among the public postsecondary institutions based on each institution’s share of total average annual degrees produced for the system during academic years 2010-11, 2011-12, and 2012-13. For the purposes of this incentive funding program, “degrees” includes associate degrees only at KCTCS and baccalaureate level degrees and above at the public four-year universities.

The degrees are weighted by level (e.g., associate, baccalaureate, master’s/specialist, etc.), with premiums for STEM+H, underrepresented student, and low-income student degrees, then adjusted using average salary data by sector as a proxy for cost of instruction. The recommended distribution by institution for both years of the biennium can be seen in Attachment C.

In addition to the recurring \$18.0 million for performance funding that staff recommends the Council include in its institutional operating request as described in paragraphs above, staff also recommends that the Council request an additional \$18.0 million in fiscal year 2015-16 for degree production, which will be included as part of CPE’s agency budget, pending distribution to the institutions when academic year 2013-14 degree numbers are known.

If appropriated to CPE, the additional \$18.0 million will be distributed to the institutions in its entirety using the same distribution method described above, but substituting a new three-year

rolling average of degrees produced. A request for these funds can be found in the CPE Agency Budget section of this agenda book.

Land Grant Mission Funds. This is a new initiative that will help maintain service levels and programmatic activities of land grant programs at the University of Kentucky and Kentucky State University. Between fiscal years 2007-08 and 2012-13, the system's public colleges and universities sustained six budget cuts in five years, losing a total of \$168.0 million or 15.5 percent of their combined net General Fund appropriations. The land grant programs at UK and KSU were not immune to these cuts, in some cases receiving deeper cuts than the overall reductions to campus E&G budgets. Cost increases coupled with reductions in state support have strained land grant program budgets, making it difficult for these programs to maintain service levels and continue to achieve their designated missions.

- The Council staff recommends that the Council request appropriations of \$1,381,900 in fiscal year 2014-15 and \$2,763,800 in fiscal year 2015-16 to support land-grant program activities and initiatives at the University of Kentucky and Kentucky State University.

These funds will help sustain the effectiveness and impact of outreach, service, and applied research at Kentucky's public postsecondary institution land grant programs, and provide continuing support for science-based education in agriculture, natural resources, foods and nutrition, and community development.

Kentucky Adult Learner Initiative. The Kentucky Adult Learner Initiative is a new program that was developed by CPE staff, working in conjunction with campus chief academic officers (CAOs) and chief budget officers (CBOs). It is an outgrowth of the Adult Learner Degree Attainment Initiative (HB 265), which passed during the 2012 Regular Session of the General Assembly. That bill directs the Council to consult with KCTCS in selecting a lead public four-year institution or institutions for the initiative and to provide funding to support teaching activities, including hiring faculty, purchasing technology, program marketing and outreach efforts, and strategic partnerships with private and public entities that will help develop and improve educational opportunities for adult learners.

In addition to HB 265, the Council's 2011-15 Strategic Agenda calls for Kentucky's postsecondary education system to support new pathways for adult learners to enroll and complete postsecondary degrees and credentials and to build upon the success of Kentucky's Virtual Campus and Virtual Library to maximize the use of technology in implementing academic innovations.

In response to these directives, CPE staff and campus officials began discussions during fall 2012 for the purpose of developing a statewide postsecondary institution alliance, whose primary mission would be to meet the higher education needs of Kentucky's adult population. The work group concluded that the needs of adult learners could best be served by offering academic credentials in key fields, provided primarily online, which would be targeted at the adult learner population.

In the proposed alliance, students would take at least 25 percent of credit hours at their “home institution” and have the option of taking the remaining courses at other alliance institutions. Most courses would be offered on-line, and there would be an opportunity for adult learners to be awarded credit for prior learning.

The exact number of institutions participating in the alliance and their respective levels of participation were not known at the time this agenda book was mailed. However, a work group of campus CAOs and CBOs developed an initial implementation budget based on assumed involvement of three universities and KCTCS and a preliminary offering of four complete programs.

- The Council staff recommends that the Council request \$2,420,000 in 2014-15 and \$2,420,000 in 2015-16 to support the Kentucky Adult Learner Initiative.

These funds will be requested as part of the Council’s agency budget for 2014-16 (see the Agency Budget section of this agenda book), pending distribution to the institutions when campus participation levels are known.

Staff preparation by Bill Payne and Scott Boelscher

Council on Postsecondary Education
2014-16 Operating Budget Recommendation

Beginning Net Base:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2013-14 Enacted Total Appropriation	\$283,869,300	\$166,212,300	\$67,673,700	\$23,537,400	\$41,560,200	\$48,005,800	\$46,835,100	\$72,425,200	\$191,455,700	\$941,574,700
Minus:										
Debt Service	0	(3,927,900)	0	0	(543,800)	0	0	0	0	(4,471,700)
UofL Hospital Contract	0	(21,089,600)	0	0	0	0	0	0	0	(21,089,600)
2013-14 Enacted Net Appropriation	\$283,869,300	\$141,194,800	\$67,673,700	\$23,537,400	\$41,016,400	\$48,005,800	\$46,835,100	\$72,425,200	\$191,455,700	\$916,013,400

First-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2013-14 Enacted Net Appropriation	\$283,869,300	\$141,194,800	\$67,673,700	\$23,537,400	\$41,016,400	\$48,005,800	\$46,835,100	\$72,425,200	\$191,455,700	\$916,013,400
Plus:										
Base Adjustments	0	0	0	0	0	0	0	0	0	0
Debt Service	0	21,405,000	0	0	0	0	0	0	0	21,405,000
UofL Hospital Contract	0	0	0	0	0	0	0	0	0	0
Strategic Investments	1,181,500	1,335,600	1,816,800	659,400	1,482,000	1,418,800	1,288,200	2,346,200	7,657,400	19,185,900
College and Career Readiness	8,000,000	4,000,000	0	0	0	0	0	0	0	12,000,000
Research & Economic Development	4,477,900	3,497,600	1,539,200	162,500	790,200	1,168,800	1,408,300	1,882,200	3,073,300	18,000,000
Performance Funding (Degree Production)	1,229,200	0	0	152,700	0	0	0	0	0	1,381,900
UK/KSU Land Grant Mission Funds	\$298,757,900	\$171,433,000	\$71,029,700	\$24,512,000	\$43,288,600	\$50,593,400	\$49,531,600	\$76,653,600	\$202,186,400	\$987,986,200
Dollar Change from 2013-14 Total Appropriation	\$14,888,600	\$5,220,700	\$3,356,000	\$974,600	\$1,728,400	\$2,587,600	\$2,696,500	\$4,228,400	\$10,730,700	\$46,411,500
Percent Change from 2013-14 Total Appropriation	5.2%	3.1%	5.0%	4.1%	4.2%	5.4%	5.8%	5.8%	5.6%	4.9%

Minus:										
Debt Service	0	0	0	0	0	0	0	0	0	0
UofL Hospital Contract	0	(21,405,000)	0	0	0	0	0	0	0	(21,405,000)
2014-15 Requested Net General Fund	\$298,757,900	\$150,028,000	\$71,029,700	\$24,512,000	\$43,288,600	\$50,593,400	\$49,531,600	\$76,653,600	\$202,186,400	\$966,581,200
Dollar Change from 2013-14 Net General Fund	\$14,888,600	\$8,833,200	\$3,356,000	\$974,600	\$2,272,200	\$2,587,600	\$2,696,500	\$4,228,400	\$10,730,700	\$50,567,800
Percent Change from 2013-14 Net General Fund	5.2%	6.3%	5.0%	4.1%	5.5%	5.4%	5.8%	5.8%	5.6%	5.5%

Second-Year Operating Request:	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	KCTCS	Total
2013-14 Enacted Net Appropriation	\$283,869,300	\$141,194,800	\$67,673,700	\$23,537,400	\$41,016,400	\$48,005,800	\$46,835,100	\$72,425,200	\$191,455,700	\$916,013,400
Plus:										
Base Adjustments	0	1,339,400	0	0	0	0	0	0	0	1,339,400
Debt Service	0	21,726,500	0	0	0	0	0	0	0	21,726,500
UofL Hospital Contract	0	0	0	0	0	0	0	0	0	0
Strategic Investments	1,181,500	1,335,600	1,816,800	659,400	1,482,000	1,418,800	1,288,200	2,346,200	7,657,400	19,185,900
College and Career Readiness	8,000,000	4,000,000	0	0	0	0	0	0	0	12,000,000
Research & Economic Development	4,477,900	3,497,600	1,539,200	162,500	790,200	1,168,800	1,408,300	1,882,200	3,073,300	18,000,000
Performance Funding (Degree Production)	2,458,400	0	0	305,400	0	0	0	0	0	2,763,800
UK/KSU Land Grant Mission Funds	\$299,987,100	\$173,093,900	\$71,029,700	\$24,664,700	\$43,288,600	\$50,593,400	\$49,531,600	\$76,653,600	\$202,186,400	\$991,029,000
Dollar Change from 2013-14 Total Appropriation	\$16,117,800	\$6,881,600	\$3,356,000	\$1,127,300	\$1,728,400	\$2,587,600	\$2,696,500	\$4,228,400	\$10,730,700	\$49,454,300
Percent Change from 2013-14 Total Appropriation	5.7%	4.1%	5.0%	4.8%	4.2%	5.4%	5.8%	5.8%	5.6%	5.3%
Minus:										
Debt Service	0	(1,339,400)	0	0	0	0	0	0	0	(1,339,400)
UofL Hospital Contract	0	(21,726,500)	0	0	0	0	0	0	0	(21,726,500)
2015-16 Requested Net General Fund	\$299,987,100	\$150,028,000	\$71,029,700	\$24,664,700	\$43,288,600	\$50,593,400	\$49,531,600	\$76,653,600	\$202,186,400	\$967,963,100
Dollar Change from 2013-14 Net General Fund	\$16,117,800	\$8,833,200	\$3,356,000	\$1,127,300	\$2,272,200	\$2,587,600	\$2,696,500	\$4,228,400	\$10,730,700	\$51,949,700
Percent Change from 2013-14 Net General Fund	5.7%	6.3%	5.0%	4.8%	5.5%	5.4%	5.8%	5.8%	5.6%	5.7%

*An additional \$18m will be requested for the degree production fund in 2015-16. CPE will retain the funds and distribute them once the Degree Production model can be updated with 2013-14 degree data.

Total GF Requests

Total GF Requests

Net GF Requests

Council on Postsecondary Education
 2014-16 Budget Recommendation
 College and Career Readiness Fund Distribution

Institution	A College and Career Pathways			B K-12 Teacher Preparation				C Developmental and Supplemental Education				Total College Readiness		
	Number of Schools ⁽¹⁾	Amount Per School	Total College Preparation	AY11-12 Number of Teachers ⁽²⁾	Amount Per Teacher	Per Teacher Allocation	Total Teacher Preparation	Clinical Model Design	Program Redesign	Fall 2011 Number of Students ⁽³⁾	Amount Per Student		Per Student Allocation	Total Developmental Education
University of Kentucky	76	\$4,000	\$304,000	214	\$1,850	\$395,900	\$645,900	\$250,000	\$95,000	396	\$345	\$136,600	\$231,600	\$1,181,500
University of Louisville	90	\$4,000	360,000	253	\$1,850	468,100	718,100	250,000	95,000	471	\$345	162,500	257,500	1,335,600
Eastern Kentucky University	112	\$4,000	448,000	379	\$1,850	701,200	951,200	250,000	95,000	935	\$345	322,600	417,600	1,816,800
Kentucky State University	26	\$4,000	104,000	30	\$1,850	55,500	305,500	250,000	95,000	449	\$345	154,900	249,900	659,400
Morehead State University	110	\$4,000	440,000	260	\$1,850	481,000	731,000	250,000	95,000	626	\$345	216,000	311,000	1,482,000
Murray State University	77	\$4,000	308,000	311	\$1,850	575,400	825,400	250,000	95,000	552	\$345	190,400	285,400	1,418,800
Northern Kentucky University	60	\$4,000	240,000	238	\$1,850	440,300	690,300	250,000	95,000	762	\$345	262,900	357,900	1,288,200
Western Kentucky University	135	\$4,000	540,000	484	\$1,850	895,400	1,145,400	250,000	95,000	1,640	\$345	565,800	660,800	2,346,200
KCTCS	686	\$4,000	2,744,000	0	0	0	0	0	1,520,000	9,836	\$345	3,393,400	4,913,400	7,657,400
	1,372		\$5,488,000	2,169		\$4,012,800	\$6,012,800	\$2,000,000	\$2,280,000	15,667	\$5,405,100	\$7,685,100	\$19,185,900	

⁽¹⁾ Aggregate number of middle and high schools in each public postsecondary institution's service region. The number for KCTCS represents the total number of middle and high schools for the entire state of Kentucky.
⁽²⁾ Number of students from each university who graduated during the 2011-12 academic year and were eligible for K-12 teacher certification upon graduation.
⁽³⁾ Number of students entering postsecondary education during fall semester 2011 who did not meet one or more of Kentucky's readiness benchmarks.

College Preparation

Amount per School \$4,000

Objective: To encourage partnerships between postsecondary institutions, school districts, and middle and high schools, which will result in a higher percentage of Kentucky students meeting college and career readiness benchmarks upon graduation.

Teacher Preparation

Clinical Model Design \$250,000
 Four-Year Institution \$0
 Two-Year Institution \$1,850
 Amount per Teacher

Uses: To cover the cost of implementing transitional courses and related assessments, and providing professional development and training for K-12 teachers, .

Objective: To produce better prepared K-12 teachers, which will result in a higher percentage of Kentucky students meeting college and career readiness benchmarks upon graduation.

Uses: To cover the cost of curriculum design associated with a Clinical Model of teacher preparation, of space reallocation, and of providing professional development and training for K-12 and postsecondary faculty who will work collaboratively to implement the approach.

Developmental Education

Program Redesign \$95,000
 Amount per Student \$345

Objective: To redesign developmental education programs to build foundational skills and facilitate student success. The new approach calls for changing the developmental education delivery model, placing students in credit bearing courses, and increasing academic and advising support.

Uses: To support expenditures for program and curriculum redesign, and professional development and training for faculty.

Council on Postsecondary Education
 2014-16 Budget Recommendation
 Performance Funding (Degree Production)

Attachment C
 November 7, 2013

Institution	Weighted Degrees ⁽¹⁾	Degree Share	FY 2014-15 Distribution ⁽²⁾	Funding Share
University of Kentucky	15,578	24.9%	\$ 4,477,900	24.9%
University of Louisville	12,168	19.4%	3,497,600	19.4%
Eastern Kentucky University	5,355	8.6%	1,539,200	8.6%
Kentucky State University	565	0.9%	162,500	0.9%
Morehead State University	2,749	4.4%	790,200	4.4%
Murray State University	4,066	6.5%	1,168,800	6.5%
Northern Kentucky University	4,899	7.8%	1,408,300	7.8%
Western Kentucky University	6,548	10.5%	1,882,200	10.5%
KCTCS	10,691	17.1%	3,073,300	17.1%
Total	62,620	100%	\$ 18,000,000	100%

(1) Three-year average of the most recent degree data (i.e., academic years 2010-11, 2011-12, and 2012-13). Includes associate degrees only at KCTCS and baccalaureate level degrees and above at the universities. Weights are applied by degree level, with premiums for STEM+H, underrepresented student, and low-income student degrees produced, then adjusted using average faculty salary data by sector as a proxy for cost of instruction. Low-income degrees are an average of academic years 2010-11 and 2011-12 only, as 2012-13 low-income student data are not available at this time.

(2) The Council staff recommends that the Council request \$18.0 million each year of the biennium to be included in the institutions' operating request. These funds, if approved and authorized, will be appropriated to the institutions each year of the biennium based on the distribution calculated above. Staff has also recommended that the Council request an additional \$18.0 million in the second year as part of the Council's agency budget request. These funds will be distributed to the institutions using the same methodology shown above, but substituting a new three-year rolling average of degrees produced

2014-16 Postsecondary Education Budget Recommendation Strategic Investment and Incentive Trust Funds

The *Postsecondary Education Improvement Act of 1997* (HB 1) created six Strategic Investment and Incentive Trust Funds to bring about change and improvement in Kentucky's colleges and universities by providing strategic financial incentives that advance the state's goals for postsecondary education. These trust funds are listed below.

1. Research Challenge Trust Fund
2. Comprehensive University Excellence Trust Fund
3. Technology Initiative Trust Fund
4. Physical Facilities Trust Fund
5. Postsecondary Education Workforce Development Trust Fund
6. Student Financial Aid and Advancement Trust Fund

When the General Assembly provides appropriations for the trust funds, they typically are maintained and administered by the Council on Postsecondary Education, but represent resources that are passed through to postsecondary institutions based on compliance with Council approved program guidelines. The purpose of such funds is to accelerate statewide achievement of reform goals.

- The Council staff recommends an appropriation of \$8,850,000 in 2015-16, recurring in subsequent years, to pay debt service on a \$95.0 million bond issue that supports two Strategic Investment and Incentive Trust Fund programs.

Major components of the 2014-16 Trust Funds recommendation include Bucks for Brains and a new Workforce Development Match Program (Table 1). Each of these components is described in more detail below.

Table 1: Components of 2014-16 Trust Funds Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Bucks for Brains (Debt Service)	\$0	\$8,382,000 ^(a)
Workforce Development Match Program (Debt Service)	0	468,000 ^(b)
Total Trust Funds Request	\$0	\$8,850,000

^(a) Debt service on a \$90.0 million bond issue for Bucks for Brains.

^(b) Debt service on a \$5.0 million bond issue for the Workforce Development Match Program.

Bucks for Brains

The Bucks for Brains program is not new. For about 15 years, Bucks for Brains has been a key strategic funding component of Kentucky’s postsecondary reform agenda. The program matches public dollars with private donations to encourage research at the University of Kentucky and the University of Louisville and to strengthen key programs at Kentucky’s comprehensive universities.

Since 1998, the General Assembly has provided four rounds of funding for the Bucks for Brains program, totaling \$410 million. About 85 percent of that total (\$350 million) was appropriated to Kentucky’s two research universities and 15 percent (\$60 million) was distributed to the state’s six comprehensive institutions.

The state’s investment in this program has been used to leverage an additional \$410 million in private contributions through a dollar-for-dollar matching feature. When fully matched, a total of \$767.9 million will have been added to public university endowments and a total of \$52.1 million will have been used to support construction of new research facilities at the University of Kentucky (\$43.8 million) and education and general (E&G) facilities at the comprehensive universities (\$8.3 million).

The Council’s 2011-15 Strategic Agenda calls for Kentucky universities to increase basic, applied, and translational research to create new knowledge and economic growth. To accomplish this aim, it highlights the importance of securing additional funding for a research matching program and of exploring new funding approaches to maximize research, *Kentucky Innovation Act* investments, and multi-campus collaborations. In keeping with this objective, Council staff recommends a fifth round of funding for Bucks for Brains.

- The staff recommends that the Council request an appropriation of \$8,382,000 in fiscal year 2015-16, recurring in subsequent years, to pay debt service on a \$90 million bond issue for the Bucks for Brains program.

If approved by the Council and authorized by the General Assembly, \$75.0 million in bonded funds will be allocated to the Research Challenge Trust Fund (RCTF) for distribution to the research universities, and \$15.0 million will be allocated to the Comprehensive University Excellence Trust Fund (CUETF) for distribution to the comprehensive universities (Table 2).

Table 2: Components of 2014-16 Bucks for Brains Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Research Challenge Trust Fund (debt service)	\$0	\$6,984,000 ^(a)
Comprehensive University Excellence Trust Fund (debt service)	0	1,398,000 ^(b)
Total Bucks for Brains Request	\$0	\$8,382,000

^(a) Debt service on a \$75.0 million bond issue for the RCTF.

^(b) Debt service on a \$15.0 million bond issue for the CUETF.

The \$75.0 million in bonded RCTF appropriations will be allocated two-thirds to the University of Kentucky (\$50.0 million) and one-third to the University of Louisville (\$25.0 million) in accordance with statutory requirements of the Research Challenge Trust Fund outlined in KRS 164.7917.

The \$15.0 million in bonded CUETF appropriations will be allocated among the comprehensive universities in accordance with statutory requirements of the Comprehensive University Excellence Trust Fund outlined in KRS 164.7919 (i.e., based on each institution’s share of total comprehensive university net General Fund appropriations). The resulting distribution is shown in Table 3 below.

Table 3: Allocation of Requested 2014-16 CUETF Funds

Institution	2012-13 Net General Fund	Percent of Total	Distribution
Eastern Kentucky University	\$67,673,700	22.6%	\$3,389,000
Kentucky State University	23,537,400	7.9%	1,180,000
Morehead State University	41,016,400	13.7%	2,054,000
Murray State University	48,005,800	16.0%	2,404,000
Northern Kentucky University	46,835,100	15.6%	2,346,000
Western Kentucky University	72,425,200	24.2%	3,627,000
Total CUETF Allocation	\$299,493,600	100.0%	\$15,000,000

Institutional allocations for the 2014-16 Bucks for Brains recommendation are shown in Attachment D.

Workforce Development Match Program

The Workforce Development Match Program is a new initiative that is being developed by Council staff and KCTCS officials. The proposed program will support KCTCS workforce education and training activities to create a labor force that stimulates business development, creates better jobs and a higher standard of living, and facilitates Kentucky’s transition to a knowledge-based economy.

The Council’s 2011-15 Strategic Agenda calls for strengthening and expansion of higher education partnerships with businesses and industry, government, non-profit, and other educational entities to meet Kentucky’s workforce and community development needs. In keeping with this objective, the Council staff recommends funding for a new Workforce Development Match Program for KCTCS.

- The Council staff recommends an appropriation of \$468,000 in 2015-16, recurring in subsequent years, to pay debt service on a \$5.0 million bond issue that supports the creation of a new Workforce Development Match Program.

If approved and authorized, \$5.0 million in bond funds will be allocated to the Postsecondary Education Workforce Development Trust Fund for distribution to KCTCS upon submission and approval of funding requests that meet guideline requirements for the program. Disbursed funds will be matched dollar-for-dollar with external source contributions and the resulting total will be added to the endowment of a requesting institution to provide a perpetual source of funding for workforce development initiatives. Proceeds from the endowment will be used to support faculty and staff positions, student scholarships, and workforce education and training infrastructure.

Program Guidelines and Reporting Procedures

In coming months, a work group comprised of Council staff and campus officials will review and discuss the 2008-10 Bucks for Brains Program guidelines and reporting procedures for the purpose of developing guidelines and procedures for 2014-16. At the same time, staff will work with KCTCS officials to draft Workforce Development Match Program guidelines. If funding for these programs is authorized by the General Assembly, it is anticipated that Council staff will present draft guidelines and revised reporting procedures for the 2014-16 Bucks for Brains Program and Workforce Development Match Program for Council review and discussion at the June 20, 2014, meeting.

Staff preparation by Bill Payne and Scott Boelscher

Kentucky Public Postsecondary Institution
Strategic Investment and Incentive Trust Funds

Bucks for Brains Program

Sector/Institution	Statutory RCTF Allocation Factors	Allocation Percentages	Bucks for Brains Dollar Allocation
Research Sector			
University of Kentucky	2/3	66.7%	\$50,000,000
University of Louisville	1/3	33.3%	25,000,000
Subtotal		100.0%	\$75,000,000

Sector/Institution	2012-13 Net General Fund	Percent of Total	Bucks for Brains Dollar Allocation
Comprehensive Sector			
Eastern Kentucky University	\$67,673,700	22.6%	\$3,389,000
Kentucky State University	23,537,400	7.9%	1,180,000
Morehead State University	41,016,400	13.7%	2,054,000
Murray State University	48,005,800	16.0%	2,404,000
Northern Kentucky University	46,835,100	15.6%	2,346,000
Western Kentucky University	72,425,200	24.2%	3,627,000
Subtotal	\$299,493,600	100.0%	\$15,000,000

Total Bucks for Brains: \$90,000,000

Workforce Development Match Program

Two-Year College Sector	
KCTCS	\$5,000,000

Total Workforce Match: \$5,000,000

Total Trust Funds Request \$95,000,000

2014-16 Postsecondary Education Budget Recommendation Capital Investments and Information Technology

Each biennium the Council is asked to present a recommendation to the Governor and General Assembly that identifies capital needs of Kentucky's public postsecondary institutions. The 2014-16 recommendation outlined below reflects campus needs for asset preservation, modernization of existing facilities, and levels of new and expanded space necessary to achieve the goals established by HB 1 (1997). Going forward, the Council staff recommends that the Council adopt a blended capital approach that invests more heavily in asset preservation and renovation, while continuing to provide new and expanded space.

VFA Comprehensive Facilities Study

Additional capital investments are needed to maintain existing infrastructure and support additional classroom, lab, and research space needs across the public institutions. Before 2007, a typical postsecondary capital budget recommendation would include a list of capital projects ranked on a statewide basis using a model developed jointly by the Council and institutions.

Recognizing the utility of using an independent resource to help identify capital needs and emphasize the importance of modern facilities to support continuing progress toward attainment of HB1 (1997) goals, in 2007 the Council and institutions contracted with VFA, Incorporated, of Boston, Massachusetts, to conduct a comprehensive review of the system's education and general (E&G) facilities and to develop and recommend a more balanced approach to address both asset preservation and new or expanded space needs.

The study recommends blended investments in existing and new space to achieve the goals established by HB1 (1997). Although Kentucky has made substantial progress toward adding expanded space, albeit not at the pace preferred by institutions, the VFA recommendation of a blended approach that invests more heavily in asset preservation and renovation than in the creation of new and expanded space has not been realized.

The VFA study assessed over 700 E&G buildings across the system and found:

- Most of Kentucky's buildings are over 30 years old and their condition is consistent with age. HVAC, plumbing, and electrical systems in many buildings have far exceeded their useful life expectancies.
- Kentucky's facilities are in relatively poor condition (Facilities Condition Index of 26 percent) compared to the industry standard (18 percent) and, if left unaddressed, this is

projected by VFA to deteriorate to 36 percent after five years, which is twice the national average of 18 percent. The ideal, according to the national literature, is to invest regularly and maintain an FCI of approximately 10 percent.

- Many buildings no longer adequately support the academic programming originally envisioned, and there is a pressing need to add new capacity to support the increased number of students coming into the system.
- Kentucky should adopt an approach that provides a blend of capital investments, including asset preservation, renovation (i.e., facility adequacy), new and expanded space for degree production, and expanded research capacity.
- The postsecondary system's facilities are in need of a sustained infusion of funds to promote high quality learning and services.

The findings of the VFA Facilities Study provide the foundation for the Council's multi-biennial capital investment policy and recommendation.

Multi-Biennial Capital Investment

The model offers flexibility for institutions to implement capital projects, allows campuses to better plan for construction, offers stronger protection of state owned assets, provides a funding distribution process that is transparent and data driven, and offers strong support for accountability.

In terms of timing and amounts, the state's investment in postsecondary institution capital infrastructure over the past 14 years has not been balanced or predictable. The most recent investment of state support for postsecondary capital infrastructure occurred during the 2006-08 biennial budget. The staff's proposed new capital investment strategy seeks commitment of state investment over several biennia to enhance master planning, to improve the condition of existing state assets, to ensure enough new space is available for current and future student enrollment levels, and to align existing space with modern industry standards.

Council staff worked collaboratively with campus officials to develop the new capital investment strategy. A principal aim of the new approach is to produce high returns from the upgraded infrastructure, with only moderate investment by the state. Listed below are highlights of the capital investment concept for postsecondary education.

- The approach is grounded in results from the VFA Comprehensive Facilities Study conducted in 2007.
- It advocates a total investment of \$1.8 billion spread evenly across three biennia (\$600 million in 2014-16; \$600 million in 2016-18; and \$600 million in 2018-20), which mirrors the state's six-year capital planning process.

- It offers a rational approach for addressing multiple categories of capital needs, including asset preservation, renovation, and new or expanded space.
- The recommended \$1.8 billion over three biennia addresses about 16 percent of the total projected need identified in the VFA Study.
- The model has been endorsed by the Capital Planning Advisory Board in both the 2012-18 and 2014-20 Statewide Capital Improvement Plans.
- The policy envisions that over three biennia the overall distribution of capital appropriations will reflect, as nearly as possible, the blended approach identified by the VFA study, which equates to a 53 percent investment in asset preservation and renovation and a 47 percent outlay for new and expanded space (including E&G and research space).
- The proposed distribution of requested capital appropriations among institutions is data driven, incorporating VFA study data, FTE students, total public funds, and research expenditures.
- The model is flexible and tailored to address specific VFA study recommendations for each campus.

Additional details regarding the proposed approach can be found in Attachment E.

2014-20 Capital Investment Policy/Recommendation

The Council staff recommends that the Council and elected leadership of the Commonwealth commit to a capital investment strategy that provides a consistent level of funding over the next three biennia, which addresses an appropriate mix of asset preservation, renovation, and new or expanded space needs on each campus. The recommendation addresses both short-term and long-term capital needs; strengthens the link between facility condition, renovation, and the need for new space; and identifies projects in three distinct priority categories: (a) asset preservation and renovation; (b) new or expanded E&G and research space; and (c) information technology initiatives.

- The Council staff recommends an appropriation of \$64,221,000 in 2015-16, recurring in subsequent years, to pay debt service on a \$600.0 million, 20-year bond issue to fund asset preservation, renovation, and new and expanded space at the postsecondary institutions and on a \$60.0 million, 10-year bond issue to fund information technology initiatives at the institutions and CPE.

A detailed breakdown of the Capital Investment and Information Technology request is shown in Table 1 below. To facilitate implementation of the first two project categories (asset preservation and new or expanded space) institutions may reserve or use up to \$1.5 million

of their share of \$600 million in capital investment funds each biennium to identify and demolish space that is no longer needed or is being replaced with new or expanded space. The VFA study contained an analysis of “facilities adequacy and fit for continued use” for each campus (conducted by Paulien & Associates of Denver, CO) that included recommendations regarding space that, if replaced, should be strongly considered for demolition.

Table 1: Components of 2014-16 Capital and Technology Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Asset Preservation and Renovation	\$0	\$29,612,000 ^(a)
New or Expanded Space	0	26,260,000 ^(b)
Information Technology Initiatives	0	8,349,000 ^(c)
Total Capital and Technology Request	\$0	\$64,221,000

^(a) Annual debt service payment on a \$318.0 million bond issue to fund asset preservation and renovation projects on postsecondary institution campuses.

^(b) Annual debt service payment on a \$282.0 million bond issue to fund new and expanded E&G and research space on postsecondary institution campuses.

^(c) Annual debt service payment on a \$60.0 million bond issue to fund information technology initiatives at the postsecondary institutions and CPE.

Asset Preservation and Renovation. The statewide facilities assessment study conducted by VFA identified an accumulation of over \$6.1 billion in asset preservation needs for Kentucky’s public postsecondary system that will come due by 2016 (VFA, 2007). To protect the state’s substantial investment in existing campus infrastructure and support the system’s continuing progress toward attainment of HB 1 goals, considerable outlays for asset preservation and renovation projects are required over several biennia to begin addressing the unfunded backlog of needs.

- The Council staff recommends an appropriation of \$29,612,000 in 2015-16, recurring in subsequent years, to pay debt service on \$318.0 million of a total \$600.0 million bond issue for 2014-16 to fund asset preservation and renovation projects.

A request for \$29.6 million in annual debt service has been included in the Council’s agency budget for 2015-16 (see the Agency Budget section of this agenda book). If approved by the Council and authorized by the General Assembly, these funds will be housed temporarily in the Physical Facilities Trust Fund. The \$318.0 million in bond funds will be allocated among the postsecondary institutions using a blended distribution model that includes VFA data, FTE students, total public funds, and research expenditures. A consensus was reached among the campus presidents and chief budget officers regarding use of this approach.

The staff recommends that the Council adopt several policy positions with respect to this request. The first is to only support a match on funds used for capital renewal. Second, only projects involving E&G facilities will be eligible for funding. Finally, the list of eligible projects that may be financed with these funds will be authorized in 2014-15. Eligible projects included in the authorization totaling \$1,452,661,000 were identified in the VFA study and are included in Attachment F.

Staff's recommendation is consistent with findings of VFA's statewide facilities assessment that buildings should serve a program's current and future needs either by design or retrofit, fit today's expectations, and meet program needs including safety issues.

New or Expanded E&G and Research Space. The needs in this category of space as evaluated by VFA are identified for two reasons: (a) to address space adequacy issues preventing a facility from being utilized in its highest and best use by current educational standards; and (b) to grow space capacity to meet current and future enrollment. The study identified \$862 million needed to make selected buildings fit-for-continued use, plus \$1.42 billion needed for E&G buildings to meet current enrollment capacity.

- The Council staff recommends an appropriation of \$26,260,000 in 2015-16, recurring in subsequent years, to pay debt service on \$282.0 million of a total \$600.0 million bond issue for 2014-16 to build new and expanded E&G and research space.

A request for \$26.3 million in annual debt service has been included in the Council's agency budget for 2015-16 (see the Agency Operating Budget section). If approved and authorized, these funds will be housed in the Physical Facilities Trust Fund. The \$282.0 million in bond funds will be allocated among the postsecondary institutions using the same distribution approach described above, which was endorsed by the campus presidents and chief budget officers.

The state bonds will address \$626,595,000 of projects. Projects will provide new and expanded capacity to support the mandates of HB 1 (1997) to increase access, educational attainment, and research and economic development. Projects for 2012-14 are included in Attachment G.

The research and economic development projects address HB 1 goals, that by 2020, the University of Kentucky will become a top 20 public research university and the University of Louisville will become a premier metropolitan research university.

Information Technology Initiatives. This category of projects is needed to address postsecondary network infrastructure upgrades and replacements of instructional and administrative systems. Reinvestments are needed for aging and obsolete systems and expanded capacity is needed to handle the upsurge of digital content and mobile access. The projects address campus networks and campus infrastructure and support increased network speeds and systems for e-learning.

- The Council staff recommends an appropriation of \$8,349,000 in 2015-16, recurring in subsequent years, to pay debt service on a \$60.0 million bond issue for 2014-16 to fund information technology initiatives at both institutional and state levels.

A request for \$8.3 million in annual debt service has been included in the Council's agency budget for 2015-16 (see the Agency Budget section of this agenda book) and, if approved and authorized, will be housed in the Council's Technology Trust Fund. The \$60.0 million in bond funds will be distributed between the institutions and the Council in the following proportions: (a) the public universities and KCTCS will receive \$48.0 million to support efforts related to college readiness, student success, and research, economic, and community development; and (b) CPE will receive \$12.0 million to support KYVC, KYVL, and other statewide information technology initiatives. For example, included in the \$12.0 million distribution to the Council is a special allocation of \$1.2 million to support the technological infrastructure associated with implementation of a Kentucky Adult Learner Initiative (HB 265).

The \$48.0 million distributed to the institutions will be allocated as follows: (a) each institution will receive a base allocation of \$1.0 million; and (b) the remaining \$39.0 million will be allocated among the institutions based on each institution's proportionate share of 2011-12 actual, unrestricted instruction expenditures. See Attachment H for funding pool distributions and guidelines.

Only projects involving college and university E&G activities, the Kentucky Virtual Campus, the Kentucky Virtual Library, and the Kentucky Postsecondary Education Data System are eligible for funding from this pool. The projects will be authorized in 2014-15. A total of \$168,996,100 in equipment projects are eligible to receive funding from the pool and are included in Attachment J.

Institutionally Funded Capital Investments

In addition to advocating funding for state supported capital projects, the Council staff also recommends that the Council continue to endorse and support institutionally funded capital projects that further the goals of *The Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the objectives of the Council's 2011-15 Strategic Agenda for Postsecondary and Adult Education, *Stronger by Degrees*. Specifically, staff recommends the following agency funded projects:

- Authorization in 2014-16 of agency bond authority. This provides for the authorization and completion of each institution's highest priority agency bond funded capital project(s). The total value of projects from all sources identified for completion in this category is \$1,295,186,000. The specific projects seeking authorization and funding are listed in Attachment K.

- Authorization in 2014-16 for \$3,470,146,000 in agency, federal, private, and other fund source authority to address life safety, major maintenance, equipment acquisitions, infrastructure repair and upgrades, and new construction. These projects would be funded using agency, federal, private, or other non-state sources of funds. These projects are shown in Attachment L.
- Authorization in 2014-16 for nine projects to improve energy efficiency in campus buildings, including energy equipment acquisitions and infrastructure repair and upgrades. These projects would be funded using third-party financing techniques available through the Finance and Administration Cabinet, private contractors, or other non-state funds. These projects are shown in Attachment M.

Special Budget Language (Postsecondary Education Pools)

Inasmuch as the identification of specific projects in a variety of areas of postsecondary institution operations cannot be ascertained with absolute certainty at this time, amounts are appropriated and authorized for specific projects which are not individually identified in this act in the following areas: EKV, KCTCS, KSU, MoSU, MuSU, NKU, UK, UofL, and WKU capital renewal, renovations, major maintenance, infrastructure, research laboratories, and HVAC and roofing systems.

Any specific project exceeding \$600,000 or any major item of equipment exceeding \$200,000 that is initiated shall be reported by the institution to the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee no later than 30 days after the specific project or equipment item is initiated and funded. The report shall identify the need for, and provide a brief description of, each project or equipment item pursuant to KRS Chapter 45.

Staff preparation by Bill Payne, Sherron Jackson, and Shaun McKiernan

Capital Projects Recommendations
Capital Investment: Asset Preservation/Renovation and New/Expanded Space
General Fund 2014-16

2014-20 Capital Investment	A		B		A+B	
	Asset Preservation & Renovation	New & Expanded	2014-20 Capital Investment (a)			
University of Kentucky	\$ 256,825,800	\$ 227,751,000	\$ 484,576,800			27%
University of Louisville	137,289,300	121,747,200	259,036,500			14%
Eastern Kentucky University	75,745,500	67,170,900	142,916,400			8%
Kentucky State University	35,541,900	31,518,600	67,060,500			4%
Morehead State University	57,954,300	51,393,600	109,347,900			6%
Murray State University	62,682,000	55,585,800	118,267,800			7%
Northern Kentucky University	64,805,700	57,469,200	122,274,900			7%
Western Kentucky University	112,426,200	99,698,400	212,124,600			12%
KCTCS	150,729,300	133,665,300	284,394,600			16%
System Totals	\$ 954,000,000	\$ 846,000,000	\$ 1,800,000,000	47%	\$ 1,800,000,000	100%

(a) Based upon blend of 55% VFA, 26% FTE, 12% TPF, and 7% RESEARCH, with \$15 million base

2014-16 Capital Investment	A		B		A+B	
	Asset Preservation & Renovation	New & Expanded	2014-20 Capital Investment (a)			
University of Kentucky	\$ 85,608,600	\$ 75,917,000	\$ 161,525,600			27%
University of Louisville	45,763,100	40,582,400	86,345,500			14%
Eastern Kentucky University	25,248,500	22,390,300	47,638,800			8%
Kentucky State University	11,847,300	10,506,200	22,353,500			4%
Morehead State University	19,318,100	17,131,200	36,449,300			6%
Murray State University	20,894,000	18,528,600	39,422,600			7%
Northern Kentucky University	21,601,900	19,156,400	40,758,300			7%
Western Kentucky University	37,475,400	33,232,800	70,708,200			12%
KCTCS	50,243,100	44,555,100	94,798,200			16%
System Totals	\$ 318,000,000	\$ 282,000,000	\$ 600,000,000	47%	\$ 600,000,000	100%

Campus Distribution based on VFA Study			
	A	B	
Asset Preservation & Renovation	\$ 105,525,200	\$ 56,000,400	65%
New & Expanded	26,337,800	60,007,700	31%
Estimated Annual Debt Service	34,095,900	13,542,900	28%
	12,563,400	9,790,100	44%
	28,106,900	8,342,400	23%
	33,667,900	5,754,700	15%
	18,426,500	22,331,800	55%
	44,336,800	26,371,400	37%
	41,751,500	53,046,700	44%
System Totals	\$ 344,811,900	\$ 255,188,100	

Capital Projects Recommendations
Asset Preservation and Major Renovations
Projects Eligible for General Fund

Total # Projects	2014-16 Inst. Priority	Institution/Project	St. Bonds/ General Funds	Agency Bonds/ Other Funds	Total	Est. Debt Service	Est. Annual M & O
Asset Preservation							
1	#9	EKU - E&G Life Safety Begley Elevator	\$ 765,000		765,000	\$ 76,000	
2	#14	EKU - Renovate HVAC Systems E&G	5,000,000	\$ 5,000,000	10,000,000	468,000	
3	#18	KCTCS Renov Henderson CC Facilities - Campus Wide	5,500,000		5,500,000	515,000	
4	#24	KCTCS Renov Denham Bldg Exterior, Maysville CTC	4,011,000		4,011,000	377,000	
5	#28	KCTCS Replace HVAC System Ph I, Owensboro CTC	3,297,000		3,297,000	310,000	
6	#29	KCTCS Renov Admin (Owen) Bldg, Elizabethtown CTC	1,000,000		1,000,000	98,000	
7	#31	KCTCS Development of DJJ Property, Bluegrass CTC	5,322,000		5,322,000	498,000	
8	#32	KCTCS Renov Admin Bldg, Whitesburg Campus, SE KY CTC	3,734,000		3,734,000	351,000	
9	#34	KCTCS Install Sprinkler Systems, West KY CTC	1,500,000		1,500,000	144,000	
10	#40	KCTCS - Capital Renewal & Deferred Maintenance Pool	38,000,000		38,000,000	3,539,000	
11	#3	KSU - Roof Repair & Replacement Pool E&G 2014	3,375,000		3,375,000	318,000	
12	#14	KSU - Capital Renewal & Maintenance Projects Pool E&G 2014	1,460,000		1,460,000	141,000	
13	#19	KSU - Improve Campus Landscape & Signage	906,000		906,000	89,000	
14	#21	KSU - Life Safety Upgrade Pool E&G 2014	1,363,000		1,363,000	132,000	
15	#5	MoSU - Upgrade Campus Fire & Security Systems E&G	3,000,000		3,000,000	283,000	
16	#10	MoSU - Replace Electrical Switchgear	2,660,000		2,660,000	251,000	
17	#11	MoSU - Capital Renewal & Maintenance Pool E&G - Univ Farm	1,209,000		1,209,000	117,000	
18	#13	MoSU - Water Plant Sediment Basin	1,500,000		1,500,000	144,000	
19	#20	MoSU - Comply with ADA - E&G	3,877,000		3,877,000	365,000	
20	#25	MoSU - Capital Renewal & Maintenance Pool - E&G	6,259,000		6,259,000	585,000	
21	#4	MuSU - Upgrade Campus Electrical Distribution System	13,038,000		13,038,000	1,214,000	
22	#7	MuSU - Replace Campus Steam Distribution System	5,968,000		5,968,000	558,000	
23	#8	MuSU - Complete Life Safety Projects: E&G Pool < \$600,000	2,219,000		2,219,000	211,000	
24	#9	MuSU - Complete ADA Compliance: E&G Pool < \$600,001	6,035,000		6,035,000	565,000	
25	#10	MuSU - Complete Capital Renewal: E&G Pool < \$600,000	18,406,000		18,406,000	1,714,000	
26	#11	MuSU - Abate Asbestos: E&G Pool < \$600,000	397,000		397,000	43,000	
27	#14	MuSU - Replace Expo Center Roof	867,000		867,000	85,000	
28	#15	MuSU - Demolish Ordway Hall	1,406,000		1,406,000	135,000	
29	#16	MuSU - Waterproof Stewart Stadium	882,000		882,000	87,000	
30	#17	MuSU - Extend Energy Management System	6,677,000		6,677,000	624,000	
31	#18	MuSU - Replace E&G Chiller/CFC Compliance	965,000		965,000	94,000	
32	#19	MuSU - Replace Stewart Stadium Playing Surfaces	701,000	701,000	1,402,000	71,000	
33	#23	MuSU - Install Sprinkler System - Blackburn Science Bldg	1,264,000		1,264,000	123,000	

Capital Projects Recommendations
Asset Preservation and Major Renovations
Projects Eligible for General Fund

Total # Projects	2014-16 Inst. Priority	Institution/Project	St. Bonds/ General Funds	Agency Bonds/ Other Funds	Total	Est. Debt Service	Est. Annual M & O
34	#24	MuSU - Renovate Pogue Library Electric & HVAC	1,229,000		1,229,000	119,000	
35	#28	MuSU - Replace Campus Comm Infrastructure (Fiber Ring)	3,300,000		3,300,000	311,000	
36	#30	MuSU - Upgrade Applied Science Electrical System	1,285,000		1,285,000	124,000	
37	#35	MuSU - Demolish Woods Hall	1,748,000		1,748,000	167,000	
38	#4	NKU - Replace Underground Gas Mains	2,500,000		2,500,000	237,000	
39	#6	NKU - Repair Structural Heaving Landrum & Fine Arts Add'l	6,400,000		6,400,000	598,000	
40	#8	NKU - Renew E&G Elevators 2010-12 - Reauthorization	1,400,000		1,400,000	135,000	
41	#11	NKU - Renew E&G Buildings Systems Projects Pool	7,000,000		7,000,000	654,000	
42	#5	UK - Capital Renewal Maintenance Pool (E&G)	119,000,000		119,000,000	11,082,000	
43	#33	UK - Upgrade Student Center Infrastructure	18,968,000		18,968,000	1,767,000	
44	#71	UK - Handicapped Access Pool	5,000,000		5,000,000	468,000	
45	#3	UofL - Renovate Capital Renewal Pool 2014-2016)	68,487,000		68,487,000	6,377,000	
46	#2	WKU - Replace Underground Steam/Electrical Infrastructure	30,000,000		30,000,000	2,794,000	
47	#6	WKU- Miscellaneous Maintenance Pool 2014-2016	10,000,000		10,000,000	931,000	
	#14	WKU- Interior Renovation Jones Juggers	1,000,000		1,000,000	98,000	
		Subtotal - Asset Preservation	\$ 429,880,000	\$ 5,701,000	\$ 435,581,000		

Major Renovations							
1	#4	EKU - Renovate Student Health Center	\$ 2,705,000	\$	2,705,000	\$ 256,000	
2	#5	EKU - Renovate Whalen Complex	22,837,000		22,837,000	2,127,000	
3	#6	EKU - Renovate Begley Bldg Concrete	1,250,000		1,250,000	122,000	
4	#7	EKU - Renovate and Upgrade Heat Plant	5,500,000		5,500,000	515,000	
5	#8	EKU -- Renovate Alumni Coliseum and Weaver Pools	2,500,000		2,500,000	237,000	
6	#8	KCTCS - Renovate JCTC Downtown Campus, Phase II	29,831,000		29,831,000	2,778,000	
7	#9	KCTCS- Renovate Main Bldg College Drive, Ashland CTC	36,869,000		36,869,000	3,434,000	
8	#11	KCTCS-Renovate Ed. Alliance Ctr SE KY CTC, Cumberland Campus	22,395,000		22,395,000	2,086,000	
9	#23	KCTCS- Renovate Academic Building, Hopkinsville CC	10,233,000		10,233,000	953,000	
10	#33	KCTCS- Renovate Mining Bldg, SE KY CTC, Harlan Campus	8,829,000		8,829,000	823,000	
11	#1	KSU - Renovate & Expand Betty White Nursing Building	9,028,000		9,028,000	841,000	\$ 47,000
12	#7	KSU - Renovate or Replace Bradford Hall	27,266,000		27,266,000	2,539,000	
13	#8	KSU - Renovate Jackson Hall	5,628,000		5,628,000	526,000	
14	#9	KSU - Renovate Central Computing Facility, Carroll ASB	10,673,000		10,673,000	994,000	
15	#11	KSU - Renovate Open Computer Lab, Hill Student Center	5,389,000		5,389,000	505,000	
16	#18	KSU - Renovate Blazer Library	25,966,000		25,966,000	2,419,000	
17	#20	KSU - Renovate Carroll Academic Services Bldg	41,229,000		41,229,000	3,840,000	

Capital Projects Recommendations
Asset Preservation and Major Renovations
Projects Eligible for General Fund

Total # Projects	2014-16 Inst. Priority	Institution/Project	St. Bonds/ General Funds	Agency Bonds/ Other Funds	Total	Est. Debt Service	Est. Annual M & O
18	#1	MoSU - Renovate/Expand Student Services Facility	49,679,000		49,679,000	4,626,000	
19	#3	MoSU - Renovate Combs Classroom Building	37,048,000		37,048,000	3,450,000	
20	#9	MoSU - Renovate McClure Pool	3,600,000		3,600,000	339,000	
21	#14	MoSU - Renovate Button Auditorium	13,158,000		13,158,000	1,226,000	
22	#26	MoSU - Reconstruct Central Campus	2,810,000		2,810,000	266,000	
23	#5	MuSU - Renovate Blackburn Science	34,952,000		34,952,000	3,256,000	
24	#13	MuSU - Renovate Lovett Auditorium	25,069,000		25,069,000	2,335,000	
25	#25	MuSU - Renovate Exposition Center	8,922,000		8,922,000	831,000	
26	#1	NKU - Renovate Old Science & Construct Health Innovation	97,000,000		97,000,000	9,033,000	8,567,000
27	#2	NKU - Renovate Civic Center Building (Reauthorization)	3,700,000		3,700,000	349,000	
28	#7	NKU - Renovate Gateway/Highland Heights Campus - Additional	6,000,000		6,000,000	561,000	
29	#9	NKU - Renew/Renovate Fine Arts Center Phase II	66,000,000		66,000,000	6,147,000	
30	#4	UK - Renovate /Expand Law School	35,000,000	30,000,000	65,000,000	4,191,000	543,000
31	#10	UK - Renovate /Upgrade Academic Learning Center	45,000,000		45,000,000	4,191,000	
32	#13	UK - Renovate/Upgrade McVey Hall	23,100,000		23,100,000	2,151,000	
33	#30	UK - Renovate/Upgrade Campus Core Quadrangle Facilities	30,000,000		30,000,000	2,794,000	
34	#4	UofL - Renovate & Expand Life Sciences Building	72,015,000		72,015,000	6,706,000	3,075,000
35	#1	WKU - Renovate Science Campus, Phase IV	48,000,000		48,000,000	4,470,000	
36	#5	WKU - Renovate 10,000 Sq Ft Space @ CRD	2,300,000		2,300,000	219,000	
37	#9	WKU - Renovate Helm/Cravens Library	41,800,000		41,800,000	3,893,000	
38	#10	WKU - Renovate Ivan Wilson Center Phase II	26,100,000		26,100,000	2,431,000	
39	#11	WKU - Renovate Academic Complex	27,500,000		27,500,000	2,561,000	
40	#12	WKU - Renovate Kentucky Building	17,500,000		17,500,000	1,630,000	
41	#13	WKU - Design Environmental Science & Tech Hall Renovation	2,000,000		2,000,000	191,000	
42	#14	WKU - Renovate Gordon Wilson Hall	11,600,000		11,600,000	1,081,000	
43	#15	WKU - Design Agriculture Expo Center Renovation	1,000,000		1,000,000	98,000	
44	#16	WKU - Renovate Art Lab/Museum	4,200,000		4,200,000	395,000	
45	#19	WKU - Renovate 49,000 Sq Ft of Space @ CRD	12,300,000		12,300,000	1,146,000	
46	#20	WKU - Renovate Central Heat Plant	5,100,000		5,100,000	477,000	
47	#21	WKU - Renovate 8,000 Sq Ft of Space @ CRD	2,200,000		2,200,000	209,000	
Subtotal - Major Renovations			\$ 1,022,781,000	\$ 30,000,000	\$ 1,052,781,000		
Total Asset Preservation and Renovations			\$ 1,452,661,000	\$ 35,701,000	\$ 1,488,362,000		

Source: Institution Submission to Capital Planning Advisory Board Capital Plan System 2014 -2016

Capital Projects Recommendations
New/Expanded E&G & Research Facilities
Projects Eligible for General Fund

Total # Projects	2014-16 Inst. Priority	Institution/Project Name	St. Bonds/ General Funds	Agency Bonds/ Other Funds	2014-16	
					Est. Annual Debt Service	Est. Annual M & O
Highest Priority New/Expanded E&G, Space Adequacy and Support Facilities						
1	#1	EKU - Construct Science Building, Phase 2 / Renovate Moore / Demolish Memorial Sci	\$	\$	91,340,000	\$ 8,506,000 \$ 2,605,000
2	#1	KCTCS - Construct Advanced Mfg Facility Bluegrass CTC			24,000,000	2,235,000 3,090,900
3	#2	KCTCS/MoSU - Construct Postsecondary Education Center Exc - Phase I			29,775,000	2,773,000 4,841,900
4	#3	KCTCS - Construct Carrollton Campus, Jefferson CTC - Additional			16,338,000	1,526,000 2,429,500
5	#4	KCTCS - Construct Owensboro Advanced Technology Center Phase II			13,488,000	1,256,000 2,170,200
6	#2	KSU - Build Central Boiler Plant & Replace Aging Distribution System			46,382,000	4,320,000 -
7	#2	MoSU - Plan & Design Music Academic & Performance Building			1,622,000	156,000 NA
8	#1	MoSU - Construct/Complete New Science Complex, Final Phase			36,890,000	3,435,000 5,520,500
9	#3	NKU - Construct College of Business Building			65,000,000	6,054,000 9,939,000
10	#1	UofL - Construct Belknap Classroom/Academic Building			80,560,000	7,502,000 9,960,000
11	#3	WKU - Construct New Gordon Ford College of Business			77,200,000	7,190,000 1,219,700
Research & Economic Development Projects						
12	#3	UK - Construct Research Building	101,000,000	43,000,000	144,000,000	9,405,000 -
Total Highest Priority New & Expanded 2014-16			\$ 583,595,000	\$ 43,000,000	\$ 626,595,000	

Additional Projects Identified for Consideration 2014-2016

Total # Projects	Inst. Priority	Institution/Project Name	St. Bonds/ General Funds	Agency Bonds/ Other Funds	2014-16	
					Est. Annual Debt Service	Est. Annual M & O
1	#2	EKU - Construct Aviation Instruction Facility	2,000,000		2,000,000	\$ 191,000 \$ 1,044,000
2	#3	EKU - Construct College of Education Complex	83,455,000		83,455,000	7,772,000 4,144,000
3	#11	EKU - Construct EKU-UK Dairy Research Project (Meadowbrook Farm)	10,360,000		10,360,000	965,000 NA
4	#5	KCTCS - Construct Madisonville Postsecondary Education Center	21,500,000		21,500,000	2,003,000 3,057,000
5	#6	KCTCS - Construct Newtown Campus, Phase II, Bluegrass CTC	45,000,000		45,000,000	4,191,000 5,223,600
6	#7	KCTCS - Construct Arts School West Ky CTC, Phase I (Add'l)	8,000,000	2,000,000	10,000,000	746,000 1,259,500
7	#8	KCTCS - Construct Urban Campus, Gateway CTC	72,000,000		72,000,000	6,705,000 5,564,500
8	#9	KCTCS - Construct Comm. Intergration Center (Additional), Lees Hazard CTC	14,500,000		14,500,000	1,351,000 2,287,900
9	#13	KCTCS - Construct Agriculture Health & Career Technology Center, Phase I, Hopkinsville CC	20,000,000		20,000,000	1,863,000 3,266,500
10	#4	KSU - Construct Business & Technology Center	31,528,000		31,528,000	2,936,000 217,300
11	#5	KSU - Construct Classroom/Performing Arts Center	96,034,000		96,034,000	8,943,000 638,000
12	#15	KSU - Construct Hill Student Center Addition Phase II	15,822,000		15,822,000	1,473,000 125,000
13	#6	MoSU - Construct Vet Tech Clinical Sciences Center	11,522,000		11,522,000	1,074,000 314,000
14	#7	MoSU - Plan & Design Library Facility	1,640,000		1,640,000	157,000 NA
15	#8	MoSU - Construct MCTC/MSU Postsecondary Center of Exc Phase I	29,775,000		29,775,000	2,773,000 4,842,000
16	#2	MoSU - Construct New Breathitt Veterinary Center	32,468,000		32,468,000	3,024,000 4,239,500
17	#3	MoSU - Construct Madisonville Postsecondary Education Center - Additional	21,500,000		21,500,000	2,003,000 3,057,000
18	#6	MoSU - Construct New University Library	69,725,000		69,725,000	6,493,000 7,657,200
19	#5	NKU - Construct Chiller Plant (Reauthorization)	16,900,000		16,900,000	1,574,000 685,000
20	#7	UK - Fit-up Academic Science Building	30,000,000		30,000,000	2,794,000 1,500,000
21	#11	UK - Construct Library Depository Facility	15,000,000		15,000,000	1,398,000 126,300
23	#4	WKU - Construct Owensboro Technology Center, Phase II	10,000,000		10,000,000	931,000 296,450
24	#17	WKU - Construct Nanotechnology Laboratory	1,900,000		1,900,000	182,000 -
Total - Additional New/Expanded 2014-2016			\$ 660,629,000	\$ 2,000,000	\$ 662,629,000	

Notes

1 The KCTCS Construct MCTC/MSU Postsecondary Education Center of Exec, Phase I is the same project as requested by MoSU \$29.8 M.

Capital Projects Recommendations
Information Technology and Equipment Purchase Pool
Pool Distribution 2014-16

Attachment H
November 7, 2013

Institution	2011-12 Actual Unrestricted Expend. for Instruction	Share of		Minimum Base Amount	Alloc. Share of IT/Equip Pool	Total of Pool
		Total Unrest. Instr. Exp.	% Share			
Eastern Kentucky University	\$ 89,984,800	9.1%	\$ 1,000,000	\$ 3,564,100	\$ 4,564,100	7.6
Kentucky State University	14,011,600	1.4%	1,000,000	555,000	1,555,000	2.6
Morehead State University	41,904,200	4.3%	1,000,000	1,659,800	2,659,800	4.4
Murray State University	54,044,832	5.5%	1,000,000	2,140,600	3,140,600	5.2
Northern Kentucky University	69,914,000	7.1%	1,000,000	2,769,200	3,769,200	6.3
Western Kentucky University	100,462,300	10.2%	1,000,000	3,979,100	4,979,100	8.3
University of Kentucky	256,058,300	26.0%	1,000,000	10,142,000	11,142,000	18.6
University of Louisville	146,612,735	14.9%	1,000,000	5,807,100	6,807,100	11.3
Kentucky Community & Technical College System	211,650,943	21.5%	1,000,000	8,383,100	9,383,100	15.6
<i>Subtotal</i>	<i>\$ 984,643,710</i>	<i>100.0%</i>	<i>\$ 9,000,000</i>	<i>\$ 39,000,000</i>	<i>\$ 48,000,000</i>	<i>80.0</i>
CPE/KYWC/KYVL Statewide Initiatives			12,000,000	\$ -	\$ 12,000,000	20.0
Total - IT & Equipment Pool	\$ 984,643,710	1.00	\$ 21,000,000	\$ 39,000,000	\$ 60,000,000	100.0
Total Pool Amount	\$ 60,000,000				\$ 60,000,000	
Base Allocation CPE	\$ 12,000,000					
Base Allocation Institutions	\$ 9,000,000					
Allocation based on % of Unrestr Exp for Instr	\$ 39,000,000					
Total Projects Completed						

Notes:

- 1 Minimum base allocation for any institution is \$1,000,000. For CPE it is 20.0% of the total appropriation (only).
- 2 The remaining \$39 million pool is allocated proportionately among the institutions based on 2011-12 actual unrestricted expenditure for instruction.
- 3 Institutions must certify that at least their 2011-12 level of actual unrestricted instruction expenditures for information technology and equipment will be maintained.
- 4 Each institution is to select approved projects that advance the achievement of the goals outlined in the 2014-16 CPE budget request for the institutions, specifically those leading to increased bachelor's degree production, as well as other key CPE initiatives related to access, affordability, developmental education, STEM, transfers, adult learners, use of technology, student learning, and increased capacity to support research and economic and community development.
- 5 These selected projects will be evaluated by an external consultant for compliance prior to the release of pool funds.
- 6 There will be an assessment process in place for accountability purposes.
- 7 Source of unrestricted actual expenditures is the 2012 FD2A of the CPE Comprehensive Data Base.

Capital Projects Recommendations
Information Technology Initiatives/Equipment Projects
2014-16

Attachment J
November 7, 2013

Institution/Institution Priority / Project Title	Project Scope	St. Bonds or State Funds	Rest/Other Funds	Federal Funds
Eastern Kentucky University				
1 Purchase Networked Education System Component	\$ 6,950,000	\$ 6,950,000		
2 Upgrade Academic Computing	5,000,000	3,000,000	2,000,000	
3 Expand, Upgrade Campus Data Network	13,212,000	11,212,000	2,000,000	
Subtotal - EKU	\$ 25,162,000	\$ 21,162,000	\$ 4,000,000	\$ -
Kentucky State University				
1 Upgrade Information Technology Infrastructure	\$ 6,261,000	6,261,000		
2 Upgrade Computers Campus Wide	1,208,000	1,208,000		
3 Integrated Digital Campus	11,450,000	11,450,000		
4 Expand Emergency Notification System	4,580,000	4,580,000		
Subtotal - KSU	\$ 23,499,000	\$ 23,499,000	\$ -	\$ -
Morehead State University				
1 Enhance Network/Infrastructure Resources	\$ 5,945,000	5,945,000		
2 Enhance Library Automation Resources	1,264,000	1,264,000		
3 Upgrade and Expand Distance Learning	1,398,000	1,398,000		
4 Upgrade Administrative Office Systems	4,000,000	4,000,000		
5 Upgrade Instructional PCs/LANS/Peripherals	5,000,000	5,000,000		
Subtotal - MoSU	\$ 17,607,000	\$ 17,607,000	\$ -	\$ -
Murray State University				
1 Upgrade Campus Phone and Data Network	\$ 4,485,000	4,485,000		
2 ITV Upgrade to Murray State University System	1,223,000	1,223,000		
3 Campus Backbone 10 GigE Upgrade	853,000	853,000		
4 Campus Desktop Virtualization	1,898,000	1,898,000		
5 Information Tech Infrastructure for TSM & IET	625,000	625,000		
6 Student Desktop Virtualization	1,265,000	1,265,000		
Subtotal - MuSU	\$ 10,349,000	\$ 10,349,000	\$ -	\$ -

Capital Projects Recommendations
Information Technology Initiatives/Equipment Projects
2014-16

Attachment J
November 7, 2013

Institution/Institution Priority / Project Title	Project Scope	St. Bonds or State Funds	Rest/Other Funds	Federal Funds
Northern Kentucky University				
1 Upgrade Communication and Network Infrastructure - Additional		\$ 4,300,000	\$ 4,300,000	
2 Enhance Instructional Technology (Reauthorization)		2,500,000	2,500,000	
3 Enhance Administrative Systems (Reauthorization)		2,500,000	2,500,000	
4 Customer Relationship Management Systems		750,000	750,000	
Subtotal - NKU		\$ 10,050,000	\$ 10,050,000	\$ -
Western Kentucky University				
1 Upgrade IT Infrastructure		\$ 4,979,100	4,979,100	
Subtotal - WKU		\$ 4,979,100	\$ 4,979,100	\$ -
University of Kentucky				
1 Emerging Technologies Academic Support Systems		\$ 2,000,000	2,000,000	
2 Upgrade Enterprise Information Systems		20,000,000	20,000,000	
3 Data Repository System		5,000,000	5,000,000	
4 Remote Site Fiber		2,000,000		2,000,000
5 Lease-Purchase Campus Call Center System		750,000		750,000
6 Lease-Purchase Document Scanning System		10,000,000		10,000,000
7 Document Imaging (ASG)		775,000		775,000
8 Lease-Purchase Enterprise Storage System		2,200,000		2,200,000
9 Lease-Purchase Exchange Replacement		1,000,000		1,000,000
10 Lease-Purchase High Performance Research Computer		6,500,000		6,500,000
11 Lease-Purchase Large Scale Computing		5,500,000		5,500,000
12 Lease-Purchase Data Warehouse/Infrastructure		1,800,000		1,800,000
13 Network Security Hardware		1,500,000		1,500,000
14 Purchase Telephone System Replacement		3,000,000		3,000,000
15 Purchase Upgraded Communication Infrastructure 1		2,500,000		2,500,000
16 Purchase Upgraded Communication Infrastructure 2		2,500,000		2,500,000
17 Wireless/Cellular Infrastructure		3,000,000		3,000,000
Subtotal - UK		\$ 70,025,000	\$ 27,000,000	\$ 43,025,000

Capital Projects Recommendations
Information Technology Initiatives/Equipment Projects
2014-16

Attachment J
November 7, 2013

Institution/Institution Priority / Project Title	Project Scope	St. Bonds or State Funds	Rest/Other Funds	Federal Funds
University of Louisville				
1 Purchase - Research Computing Infrastructure	\$ 7,000,000 \$	7,000,000		
2 Purchase - Content Management System	4,000,000	4,000,000		
Subtotal - UofL	\$ 11,000,000 \$	\$ 11,000,000 \$	- \$	-
Kentucky Community and Technical College System				
1 Information Tech Infrastructure Upgrade	\$ 12,000,000	12,000,000		
Subtotal - KCTCS	\$ 12,000,000 \$	\$ 12,000,000 \$	- \$	-
Total Institutions	\$ 184,671,100 \$	\$ 137,646,100 \$	\$ 47,025,000 \$	-
Council on Postsecondary Education				
1 HB 265 Adult Learner Degree Attainment	\$ 1,200,000 \$	1,200,000		
2 KY Virtual Library Infrastructure Rebuild	15,000,000	15,000,000		
3 Expand KY Regional Optical Network Infrastructure	10,000,000	10,000,000		
4 Enterprise Data Collection, Analysis and Reporting System	1,150,000	1,150,000		
5 Upgrade/Expand Postsecondary Video Conferencing	2,000,000	2,000,000		
6 Course Redesign	2,000,000	2,000,000		
Subtotal - CPE	\$ 31,350,000 \$	\$ 31,350,000 \$	- \$	-
System Total	\$ 216,021,100 \$	\$ 168,996,100 \$	\$ 47,025,000 \$	-

Capital Projects Recommendations
Agency Bond Authority
2014-16

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Anticipated Board Action	Status of Existing Fee	Est. Date to Issue Debt
Eastern Kentucky University							
1 Construct University Activity Center, Phase II	\$ 31,900,000 \$	31,900,000 \$	-	Student fees, memberships	Fall 2015	Incomplete	Spring 2016
2 Construct New Student Housing (412 Beds)	22,000,000	22,000,000	-	Housing revenue	Fall 2015	n/a	Spring 2016
3 Renovate Residence Hall	12,500,000	12,500,000	-	Project not anticipated prior to June 30, 2016			
Subtotal - EKV	\$ 66,400,000 \$	66,400,000 \$	-				
Kentucky State University							
1 Construct Athletic Sport Complex	\$ 5,487,000 \$	5,487,000		Auxiliary services revenues	Fall 2015	n/a	Spring 2016
2 Construct Parking Structure	13,470,000	13,470,000		Project not anticipated prior to June 30, 2016			
Subtotal - KSU	\$ 18,957,000 \$	18,957,000 \$	-				
Morehead State University							
1 Renovate Carmell Residence Hall	\$ 12,500,000 \$	12,500,000 \$	-	Housing fees	TBD	Currently in place	June 2015
2 Comply with ADA – Auxiliary	3,460,000	3,460,000		Auxiliary services revenues	TBD	Currently in place	June 2015
3 Construct Food Services/Retail & Parking Structure in Housing Complex	20,395,000	20,395,000		Parking fees and food service revenues	TBD	Currently in place	December 2014
4 Replace Exterior Precast Panels-Nunn Hall	3,645,000	3,645,000		Housing fees	TBD	Currently in place	June 2015
5 Construct Residential Facility - University Farm	2,735,000	2,735,000		Housing fees	TBD	Currently in place	December 2014
6 Construct Student Residential Apartment Complex	28,000,000	28,000,000		Housing fees	TBD	Currently in place	December 2014
Subtotal - MoSU	\$ 70,735,000 \$	70,735,000 \$	-				
Murray State University							
1 Replace Franklin Hall	\$ 28,953,000 \$	28,953,000 \$	-	Current Recurring Auxiliary Fund	June 2014	Current Fees/Increase	November 2014
Subtotal - MuSU	\$ 28,953,000 \$	28,953,000 \$	-				
Northern Kentucky University							
1 Expand University Drive Parking Garage	\$ 15,000,000 \$	15,000,000		Parking Fees	January 2015	Not Approved	January 2015
2 Acquire Land/Master Plan 2014-2016	23,000,000	20,000,000	3,000,000	Rental Revenues	May 2015	Not Approved	July 2015
3 Construct Satellite Parking Lot	4,200,000	4,200,000		Parking Fees	January 2015	Not Approved	January 2015
Subtotal - NKU	\$ 42,200,000 \$	39,200,000 \$	3,000,000				

Capital Projects Recommendations
Agency Bond Authority
2014-16

Institution and Project Title	Project Scope	Agency Bonds	Institution or Other Funds	Revenue Stream For Debt Service	Anticipated Board Action	Status of Existing Fee	Est. Date to Issue Debt
Western Kentucky University							
1 Construct South Regional Postsecondary Ed. Center - Phase II	\$ 10,000,000	\$ 10,000,000	\$ -	Restricted Funds/Private Funds	TBD	TBD	December 2015
2 Construct Parking Structure III	11,000,000	11,000,000		Student Activity Fee (increase)	TBD	TBD	December 2015
3 Expand Student Intramural Recreation Facility	20,000,000	20,000,000		Student Activity Fee (increase)	TBD	TBD	December 2015
Subtotal - WKU	\$ 41,000,000	\$ 41,000,000	\$ -				
University of Kentucky							
1 Expand/Renovate Student Center	\$ 175,000,000	\$ 160,000,000	\$ 15,000,000	Student Fees	2014-15	Partially Implemented	2014-15
2 Renovate/Upgrade Health Care Facilities	120,000,000	120,000,000		Clinical Revenues	2014-15	NA	2014-15
3 Construct Parking Structure #9	45,000,000	45,000,000		Parking Revenues	2014-15	NA	2014-15
4 Repair/Upgrade/Improve Civil/Site Infrastructure	10,000,000	10,000,000		Service Center	2014-15	NA	2014-15
5 Lease-Purchase Construct Student Housing	232,000,000	30,000,000	202,000,000	Ground Lease Income	2014-15	NA	2014-15
6 Construct Baseball Facility	40,000,000	20,000,000	20,000,000	Athletic Revenues	2015-16	NA	2015-16
7 Construct Parking/Academic Facility	50,000,000	40,000,000	10,000,000	Parking Revenues	2015-16	NA	2015-16
8 Construct/Renovate/Upgrade Dining Facilities 1	40,000,000	40,000,000		Dining Revenues	2014-15	NA	2014-15
9 Renovate Densitry Major Facility Needs	16,800,000	16,800,000		Clinical Revenues	2014-15	NA	2014-15
10 Construct Student Dining Facility 2	50,000,000	50,000,000		Dining Revenues	2014-15	NA	2014-15
11 Construct Satellite Student Center	76,400,000	76,400,000		Student Fees	2014-15	Partially Implemented	2014-15
Subtotal - UK MC/H	\$ 855,200,000	\$ 608,200,000	\$ 247,000,000				
University of Louisville							
1 UofL - Construct Instructional Building HSC (Renovate Kornhauser Library)	71,730,000	71,730,000		Clinical Revenue & Philanthropy	July 2014	NA	September 2014
2 Expand/Renovate Student Activities Center	\$ 21,460,000	\$ 21,460,000		Student Activity Fee & Philanthropy	March 2016	Student Activity Fee is a Current Fee	May 2016
3 Purchase Land Support Service (Northeast Quad)	15,600,000	15,600,000		Redirected Rent Payments	November 2013	NA	September 2014
4 Renovate Medical School Tower Lab/Infra Renewal	34,500,000	34,500,000		Clinical Revenue	May 2015	NA	July 2015
5 Renovate Medical Dental Research Infrastructure	10,406,000	10,406,000		Clinical Revenue	May 2015	NA	July 2015
6 Renovate Guaranteed Energy Savings (2014-2016)	10,000,000	10,000,000		Utility Savings	July 2015	NA	October 2015
7 Renovate Belknap Office Building	8,045,000	8,045,000		Redirected Rent Payments	November 2014	NA	January 2015
Subtotal - UofL	\$ 171,741,000	\$ 171,741,000	\$ -				
System Total	\$ 1,295,186,000	\$ 1,045,186,000	\$ 250,000,000				

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2014-16

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
Eastern Kentucky University					
1 Renovate Ambulance Building	\$ 980,000 \$	- \$	980,000 \$	- \$	-
2 Renovate Lancaster Center Building	1,472,000			1,472,000	
3 Construct Addition to Ashland Building	3,400,000		3,400,000		
4 Construct Bio-Fuels Research Facility	12,240,000				12,240,000
5 Construct EKV Early Childhood Center	3,350,000		3,350,000		
6 Construct Pedestrian Bridge	1,200,000		1,200,000		
7 Construct Public Safety Training Facility Addition	9,938,000			9,938,000	
8 Construct Regional Health Facility	12,500,000		7,823,000		12,500,000
9 Construct Student Athlete Support Facility	7,823,000				
10 Expand Indoor Tennis Facility	3,225,000			3,225,000	
11 Install Lights for Baseball, Softball, and Soccer	1,224,000			1,224,000	
12 Construct Miscellaneous Maintenance Pool	10,000,000		10,000,000		
13 Purchase of Adjacent Property	3,000,000		3,000,000		
14 Purchase Video Board & Sound System Alumni	1,500,000		1,500,000		
15 Renovate Baseball Complex	2,200,000			2,200,000	
16 Renovate Blanton House	1,100,000		1,100,000		
17 Renovate Property	3,000,000			3,000,000	
18 Renovate Women's Softball Complex	1,500,000			1,500,000	
19 Renovate Martin Hall	2,000,000		2,000,000		
20 Renovate Commonwealth Hall	2,000,000		2,000,000		
21 Lease	0		0		
Subtotal - EKV	\$ 83,652,000 \$	- \$	\$ 36,353,000 \$	\$ 22,559,000 \$	\$ 24,740,000
Kentucky State University					
1 Construct Aquaculture Academic Research Facility	\$ 7,443,000 \$	-	\$	- \$	7,443,000
2 Construct New Residence Hall, Phase III (KRS 45.763)	52,762,000			52,762,000	
3 Acquire Land/Campus Master Plan 2014	2,000,000		2,000,000		
4 Athletics Project Pool 2014	1,702,000		1,702,000		
5 Construct Retail Space/Hotel on E. Main & Douglas Avenue	36,588,000			36,588,000	
6 Renovate Atwood Agricultural Research Building	12,368,000				12,368,000
Subtotal - KSU	\$ 112,863,000 \$	- \$	\$ 3,702,000 \$	\$ 89,350,000 \$	\$ 19,811,000
Morehead State University					
1 Capital Renewal and Maintenance Pool - Auxiliaries	\$ 2,668,000 \$	- \$	2,668,000 \$	- \$	-
2 Construct Classroom/Lab at Browning Orchard	1,597,000		1,597,000		
3 Construct Athletics Administration & Sports Performance Building	24,582,000		18,437,000	6,145,000	
4 Construct Honors College Facility	2,884,000		2,884,000		
5 Construct University Welcome Center/Alumni House	9,711,000		3,711,000	6,000,000	
6 Acquire Land Related to Master Plan	4,000,000		4,000,000		
7 Purchase Equipment for Biochemistry Lab	450,000		450,000		
8 Purchase Instructional Tech Initiatives	2,484,000		2,484,000		
Subtotal - MoSU	\$ 48,376,000 \$	- \$	\$ 36,231,000 \$	\$ 12,145,000 \$	-

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2014-16

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
Murray State University					
1 Acquire Land	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -
2 Renovate Paducah Crisp Center	1,300,000		1,300,000		
3 Renovate /Expand Waterfield Library	19,000,000		19,000,000		
4 Renovate/Preserve Pogue Library	9,040,000		9,040,000		
5 Complete ADA Compliance: H&D Pool < \$600,000	659,000		659,000		
6 Complete Capital Renewal: H&D Pool < \$600,000	6,734,000		6,734,000		
7 Renovate Hart Hall Electrical System	1,017,000		1,017,000		
8 Renovate Regents Hall Electrical System	1,143,000		1,143,000		
9 Construct Addition to Winslow Cafeteria	1,200,000		1,200,000		
10 Abate Asbestos: H&D Pool < \$600,000	177,000		177,000		
11 Renovate Buildings H&D Pool <\$600,000	595,000		595,000		
12 Renovate White Hall	11,906,000		11,906,000		
13 Renovate White Hall Electrical System	1,015,000		1,015,000		
14 Renovate White Hall HVAC System	1,576,000		1,576,000		
15 Renovate White Hall Interior	1,184,000		1,184,000		
16 Replace White Hall Domestic Water Piping	845,000		845,000		
Subtotal - MuSU	\$ 58,391,000	\$ -	\$ 58,391,000	\$ -	\$ -
Northern Kentucky University					
1 Construct Alumni Center Reauthorization	\$ 10,500,000	\$ -	\$ -	\$ 10,500,000	\$ -
2 Construct Athletics Practice Facility - Additional	10,500,000			10,500,000	
3 Construct Center for Applied Ecology Building	2,000,000		1,000,000	1,000,000	
4 Construct Indoor Track/Multipurpose Facility	12,000,000			12,000,000	
5 Develop Town/Gown Project	86,500,000			86,500,000	
6 Initiate Phase II of Master Plan (Reauthorization)	3,500,000		3,500,000		
7 Lease Purchase Coach Bus (Reauthorization)	690,000			690,000	
8 Lease Purchase Large Format Color Press (Reauthorization)	375,000			375,000	
9 Relocate High Voltage Utilities	4,500,000		4,500,000		
10 Renovate Brown Building	4,500,000		3,000,000	1,500,000	
11 Renovate Early Child Care Center	3,500,000		3,500,000		
12 Renovate Residence Halls 2014-2016	3,500,000		2,500,000	1,000,000	
13 Replace Callahan Roof - Additional	1,200,000		1,200,000		
14 Renovate/Expand Baseball Field Reauthorization	4,600,000		-	4,600,000	
Subtotal - NKU	\$ 147,865,000	\$ -	\$ 19,200,000	\$ 128,665,000	\$ -
Western Kentucky University					
1 Acquire FF&E Diddle Arena	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -
2 Acquire FF&E for Hardin County Project	2,000,000		2,000,000		
3 Acquire FF&E for Honors College	3,000,000		3,000,000		
4 Add Club Seating at Diddle Arena	2,200,000			2,200,000	
5 Construct Baseball Grandstand	4,500,000			4,500,000	
6 Construct Football Press box	2,200,000			2,200,000	
8 Construct South Plaza	2,500,000			2,500,000	

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2014-16

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
9 Construct Track & Field Facilities	4,000,000			4,000,000	
10 Demolish Thompson NW & Replace with Temporary Facility	3,000,000		3,000,000		
11 Equipment Pool 2014-2016	2,500,000		2,500,000		
12 Expand Gatton Academy of Math & Science	10,000,000			10,000,000	
13 Major Repairs Smith Stadium	800,000		800,000		
14 Parking & Street Improvements 2014-2016	3,000,000		3,000,000		
15 Purchase Property for Campus Expansion 2014-2016	3,000,000		3,000,000		
16 Remove & Replace Student Housing at Farm	800,000		800,000		
17 Renovate Foundation Building	1,200,000		1,200,000		
18 Renovate Garrett Conference Center Academic Space	8,700,000		8,700,000		
19 Renovate Garrett Conference Center Food Court	7,000,000		7,000,000		
20 Renovate Grisse Hall Restrooms (ADA)	930,000		930,000		
21 Renovate State/Normal Street Properties	1,500,000		1,500,000		
22 Renovate Tate Page Hall	1,200,000		1,200,000		
23 Renovate/Addition to Health Services Facility	3,000,000		2,000,000	1,000,000	
24 Bus Replacements	1,000,000		1,000,000		
Subtotal - WKU	\$ 71,030,000	\$ -	\$ 41,630,000	\$ 29,400,000	\$ -
University of Kentucky					
1 Fit-up Academic/Administrative Space	10,000,000		10,000,000		
2 Upgrade/Improve/Expand Recreational Fields	25,000,000		25,000,000		
3 Renovate Space in the Chem/Physics Building	5,000,000		5,000,000		
4 Renovate Alumni Gym and/or North Recreation Center	14,500,000		14,500,000		
5 Expand Boone Tennis Center	8,000,000		8,000,000		
6 Upgrade/Renovate Space in Multi-Disciplinary Science Building	27,200,000		27,200,000		
7 Renovate King Library	5,000,000		5,000,000		
8 Research Equipment Replacement	30,000,000		30,000,000		
9 Upgrade/Renovate/Improve or Expand Research Labs	33,500,000		33,500,000		
10 Construct/Expand/Renovate Ambulatory Care - UKHC	20,000,000		20,000,000		
11 Renovate/Upgrade Academic Space	25,000,000		25,000,000		
12 Improve Life Safety Project	15,000,000		15,000,000		
13 Lease-Purchase Acquire Off Campus Office Bldg	10,000,000			10,000,000	
14 Construct Transit Center	5,000,000		5,000,000		
15 Renovate/Upgrade Academic Facility	16,000,000		16,000,000		
16 Renovate Dickey Hall Library	1,500,000		1,500,000		
17 Renovate Space for Testing Facility	1,000,000		1,000,000		
18 Expand/Renovate Kastle Hall	22,327,000		22,327,000		
19 Renovate Funkhouser Building	28,300,000		28,300,000		
20 Renovate/Upgrade Pence Hall	18,870,000		18,870,000		
21 Construct Equine Campus, Phase 2	9,500,000		9,500,000		
22 Acquire/Renovate Academic Facilities	25,000,000		25,000,000		
23 Renovate Taylor Education Building	10,000,000		10,000,000		
24 Expand/Renovate W. KY & Robinson Station	9,835,000		9,835,000		
25 Renovate Memorial Hall	5,000,000		5,000,000		

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2014-16

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
26	Renovate Mineral Industries Building	4,900,000	4,900,000		
27	Install Artificial Turf on Pieratt Rec Fields	2,795,000	2,795,000		
28	Renovate Robotics Building	3,842,000	3,842,000		
29	Renovate the Schmidt Vocal Arts Center	2,000,000	2,000,000		
30	Expand KGS Well Sample and Core Repository	5,280,000	5,280,000		
31	Expand Coldstream Research Campus	20,000,000	20,000,000		
32	Upgrade/Renovate/Modify or Expand Vivarium Facilities	9,000,000	9,000,000		
33	Upgrade/Renovate Clean Room Space-Coldstream	8,000,000	8,000,000		
34	Purchase/Upgrade Pollution Controls	22,000,000	22,000,000		
35	Repair/Upgrade/Expand Central Plants	62,000,000	62,000,000		
36	Repair/Upgrade/Improve Electrical Infrastructure	28,000,000	28,000,000		
37	Repair/Upgrade/Improve Mechanical Infrastructure	26,000,000	26,000,000		
38	Repair Emergency Infrastructure/Bldg. Systems	25,000,000	25,000,000		
39	Repair/Upgrade/Improve Bldg Mechanical	25,000,000	25,000,000		
40	Repair/Upgrade/Improve Bldg Shell Sys	5,000,000	5,000,000		
41	Repair/Upgrade/Improve Bldg Electrical Sys	5,000,000	5,000,000		
42	Repair/Upgrade/Improve Elevator Sys	5,000,000	5,000,000		
43	Acquire Land	50,000,000	50,000,000		
44	Lease-Purchase Police Communications Equipment	1,500,000	1,500,000		
45	Expand/Renovate Sturgill Development Building	2,130,000	2,130,000		
46	Construct University Storage Bldg	6,000,000	6,000,000		
47	Guaranteed Energy Savings Performance Contracts	600,000	600,000		
48	Guaranteed Energy Savings Performance Contracts - Parking	600,000	600,000		
49	Guaranteed Energy Savings Performance Contracts - Athletics	600,000	600,000		
50	Guaranteed Energy Savings Performance Contracts - Housing	600,000	600,000		
51	Purchase Buses	2,000,000	2,000,000		
52	Construct WUKY Facility	3,910,000	3,910,000		
53	Emerging Technologies Academic Support Systems	2,000,000	2,000,000		
54	Upgrade Enterprise Information Systems	20,000,000	20,000,000		
55	Data Repository System	5,000,000	5,000,000		
56	Renovate Central Computing Facility	5,000,000	5,000,000		
57	Upgrade/Renovate HealthCare Facilities 2 - UKHC	130,000,000	130,000,000		
58	Construct Good Sam Med Office Bldg	23,700,000	23,700,000		
59	Construct Office Tower - UKHC	95,600,000	95,600,000		
60	Lease-Purchase Construct/Fit-Up Retail Space	4,000,000		4,000,000	
61	Renovate Nursing Units - UKHC	6,000,000	6,000,000		
62	Renovate/Expand Clinical Services - UKHC	15,000,000	15,000,000		
63	Renovate/Upgrade Hospital Facility - Good Samaritan	10,000,000	10,000,000		
64	Repair/Upgrade/Improve Building System - UKHC	20,000,000	20,000,000		
65	Upgrade/Expand Cancer Treatment Facility - UKHC	20,000,000	20,000,000		
66	Upgrade/Fit-up Hospital Facilities	35,000,000	35,000,000		
67	Upgrade/Renovate/Fit-Out Surgical Services - UKHC	5,000,000	5,000,000		
68	Lease-Purchase Implement Enterprise Security System	10,000,000	10,000,000		
69	Implement Medication Bar Coding System	10,000,000	10,000,000		

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
70 Implement Patient Communication System	10,000,000		10,000,000		
71 Implement Real Time Locator System	5,000,000		5,000,000		
72 Implement Revenue Management System	35,000,000		35,000,000		
73 Implement Unified Communication System	3,000,000		3,000,000		
74 Lease-Purchase Mainframe Computer - UKHC	3,000,000		3,000,000		
75 Lease-Purchase Personal Electronic Health Records	5,000,000		5,000,000		
76 Lease-Purchase Replace/Upgrade Perioper Inf. Sys	3,000,000		3,000,000		
77 Lease-Purchase Telemedicine/Virtual ICU	10,000,000		10,000,000		
78 Lease-Purchase/Upgrade - UKHC IT Syst.	10,000,000		10,000,000		
79 Purchase Allergy Info. System - UKHC	1,000,000		1,000,000		
80 Purchase Cardiology Info. System - UKHC	4,000,000		4,000,000		
81 Purchase Clinical Information System	10,000,000		10,000,000		
82 Purchase Digital Medical Record Expansion	10,000,000		10,000,000		
83 Purchase Document Scanning System	10,000,000		10,000,000		
84 Purchase Oncology Information System - UKHC	5,000,000		5,000,000		
85 Purchase Telephone System Replacement	3,000,000		3,000,000		
86 Purchase/Expand PACS System	5,000,000		5,000,000		
87 Replace/Upgrade Radiology Information System	2,000,000		2,000,000		
88 Upgrade Clinical Enterprise Network - UKHC	6,500,000		6,500,000		
89 Upgrade Enterprise Information Systems	20,000,000		20,000,000		
90 Construct/Upgrade/Fit-up Support Services-UKHC	3,500,000		3,500,000		
91 Implement Land Use Plan-UKHC	20,000,000		20,000,000		
92 Renovate/Upgrade Memorial Coliseum	6,000,000		6,000,000		
93 Repair Stadium Structure	2,500,000		2,500,000		
94 Perry Co. - Lease Space Rural Health Expansion-Hazard	-				
95 Fayette Co. - Lease Space Off Campus #1	-				
96 Fayette Co. - Lease Space Off Campus #2	-				
97 Fayette Co - Lease Space Off Campus #3	-				
98 Fayette Co - Lease Space Off Campus #4	-				
99 Fayette Co - Lease Space Off Campus #5	-				
100 Fayette Co - Lease Space Off Campus #6	-				
101 Fayette Co - Lease Off Campus #7	-				
102 Fayette Co - Lease Space Grant Projects #1	-				
103 Fayette Co - Fayette Co - Lease Grants Projects #2	-				
104 Fayette Co - Lease Administrative Offices	-				
105 Fayette Co - Lease Off Campus Housing #3	-				
106 Fayette Co - Lease - Off Campus Housing #4	-				
107 Fayette Co - Lease - Off Campus Housing #5	-				
108 Fayette Co - Lease - Off Campus Housing #6	-				
109 Fayette Co - Lease - Off Campus Athletics	-				
110 Lease Health Affairs Office	-				
111 Lease Health Affairs Office #3	-				
112 Lease Health Affairs Office #5	-				
113 Lease Health Affairs Office #6	-				

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2014-16**

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
114 Lease Med Center Grant Projects #1	-				
115 Lease Med Center Grant Projects #2	-				
116 Lease Med Center Off-Campus Fac #1	-				
117 Lease Med Center Off-Campus Fac #2	-				
118 Lease Med Center Off-Campus Fac #3	-				
119 Lease Med Center Off-Campus Fac #4	-				
120 Lease-Purchase Dining Facilities	50,000,000			50,000,000	
121 Lease Health Affairs Office #8	-				
122 Lease Health Affairs Office #9	-				
123 Renovate Fine Arts	5,000,000		5,000,000		
124 Renovate Singletary	15,000,000		15,000,000		
125 Renovate Erickson	5,000,000		5,000,000		
126 Renovate/Expand The Johnson Center	16,550,000		16,550,000		
127 Relocate Greenhouses	8,425,000		8,425,000		
128 Construct Football Training Facility and Practice Fields	45,000,000		45,000,000		
129 Construct Central Emergency Response Center	2,370,000		2,370,000		
130 Renovate Academic/Administrative Space 1	10,000,000		10,000,000		
131 Renovate Academic/Administrative Space 2	10,000,000		10,000,000		
132 Renovate Academic/Administrative Space 3	5,000,000		5,000,000		
133 Renovate Academic/Administrative Space 4	5,000,000		5,000,000		
134 Renovate Academic/Administrative Space 5	2,000,000		2,000,000		
135 Construct Student Housing 1	6,000,000		6,000,000		
136 Construct Student Housing 2	6,000,000		6,000,000		
137 Construct Student Housing 3	6,000,000		6,000,000		
138 Renovate/Replace Memorial Coliseum Video Board	1,500,000			1,500,000	
139 Renovate/Replace Commonwealth Stadium Playing Field	1,000,000			1,000,000	
140 Fit-up Commonwealth Stadium Team Novelty Store	750,000			750,000	
141 Renovate Old Softball/Soccer Locker Room Facility	1,000,000			1,000,000	
142 Dining Addition - Wildcat Coal Lodge	1,500,000			1,500,000	
Subtotal - UKMC/Hospital	\$ 1,519,184,000	\$ -	\$ 1,449,434,000	\$ 69,750,000	\$ -
University of Louisville					
1 Construct Administrative Office Building	51,245,000	\$ -	\$ 51,245,000	\$ -	\$ -
2 Construct Artificial Turf Field for Intramural	733,000		733,000		
3 Construct Athletic Academic Support Facility (KRS 45.763)	17,040,000			17,040,000	
4 Construct Athletic Equipment/Apparel Storage Facility (KRS 45.763)	750,000			750,000	
5 Construct Athletic Grounds Building (KRS 45.763)	1,500,000			1,500,000	
6 Construct Athletics Office Building	7,400,000			7,400,000	
7 Construct Belknap 3rd Street Improvements	2,180,000			2,180,000	
8 Construct Belknap Brandeis Corridor Improvements	3,100,000			3,100,000	
9 Construct Belknap Center Place Plaza	8,840,000			8,840,000	
10 Construct Century Corridor Improvement	990,000			990,000	
11 Construct Floyd Street Corridor Improvement	3,930,000			3,930,000	
12 Construct Belknap Storm water Improvements	5,000,000			5,000,000	

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
13	Construct Center for Creative Studies	10,193,000	10,193,000		
14	Construct Center for Social Change (KRS 45.763)	13,610,000		13,610,000	
15	Construct Center for the Performing Arts	76,660,000	76,660,000		
16	Construct Clinical/Office Space West End	3,949,000	3,949,000		
17	Construct College of Business Courtyard/Café	1,819,000	1,819,000		
18	Construct Executive MBA/Business Program	12,000,000	12,000,000		
19	Construct Flexner Way Mall-Floyd to Preston	1,720,000	1,720,000		
20	Construct Flexner Way Mall-Jackson to Hancock	780,000	390,000	390,000	
21	Construct Flexner Way Mall-Preston to Jackson	890,000	445,000	445,000	
22	Construct HSC Steam/Chilled Water Plant II	36,300,000	36,300,000		
23	Construct Intramural Field Complex	7,780,000	7,780,000		
24	Construct IT Center Data Center	38,000,000	38,000,000		
25	Construct Kosair Medical Office Building Fit-out	19,745,000	19,745,000		
26	Construct Physical Plant Space in HSC Garage	2,440,000	2,440,000		
27	Construct Utilities, Remove Overhead Lines	10,750,000	10,750,000		
28	Construct Medical Office Building (KRS 45.763)	60,300,000		60,300,000	
29	Expand Chilled Water and Electrical Service Upgrade	13,300,000	13,300,000		
30	Expand Rauch Planetarium	3,352,000			3,352,000
31	Expand Sackett Hall	14,758,000	14,758,000		
32	Expand Schnellenberger Football Complex (KRS 45.763)	7,500,000		7,500,000	
33	Expand/Renovate College of Education Building	60,107,000	60,107,000		
34	Renovate Abel Administration Building	1,593,000	1,593,000		
35	Renovate Ambulatory Care Building	2,540,000	2,540,000		
36	Renovate Belknap Playhouse	3,510,000	3,510,000		
37	Renovate Brown Cancer Center 4th Floor	4,388,000	4,388,000		
38	Renovate Burhans Hall (KRS 45.763)	17,000,000		17,000,000	
39	Renovate Chemistry Fume Hood Redesign, Phase II	9,730,000	9,730,000		
40	Renovate Chemistry Teaching Labs/Auditorium	1,957,000	1,957,000		
41	Renovate Code Improvement Pool	12,822,000	12,822,000		
42	Renovate College of Business Classrooms	1,865,000	1,865,000		
43	Renovate College of Business Green Roof	1,030,000	1,030,000		
44	Renovate Concentrated Care Building	1,628,000	1,628,000		
45	Renovate Delia Baxter Building Laboratory	3,100,000	3,100,000		
46	Renovate Donald Baxter Building 2nd/3rd Floor Labs	3,010,000	3,010,000		
47	Renovate Donald Baxter Building Classroom Exp	987,000	987,000		
48	Renovate Dougherty Hall	9,233,000	9,233,000		
49	Renovate Ekstrom Library	58,076,000	58,076,000		
50	Renovate Football Practice Field Lighting (KRS 45.763)	750,000		750,000	
51	Renovate Gross Anatomy Lab	5,558,000	5,558,000		
52	Renovate Housing - Capital Renewal Pool	1,795,000	1,795,000		
53	Renovate HPES/Studio Arts Building	9,850,000	9,850,000		
54	Renovate HSC Instructional Building	4,433,000	4,433,000		
55	Renovate J. B. Speed Building	12,862,000	12,862,000		
56	Renovate Kornhauser Library	21,980,000	21,980,000		

**Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
57	Renovate Kosair Pediatrics Center Offices	6,850,000	6,850,000		
58	Renovate K-Wing 1st Floor Office	5,000,000	5,000,000		
59	Renovate K-Wing Classroom	1,223,000		1,223,000	
60	Renovate Lions Eye Research Institute	20,707,000	20,707,000		
61	Renovate Law School	36,081,000	36,081,000		
62	Renovate Life Sciences Building Vivarium	1,140,000	1,140,000		
63	Renovate Middleton Auditorium	700,000	700,000		
64	Renovate Miller Hall Infrastructure	750,000	750,000		
65	Renovate Natural Science Building	29,843,000	29,843,000		
66	Renovate Oppenheimer Hall	5,389,000	5,389,000		
67	Renovate Papa John's Stadium Seat Replacement (KRS 45.763)	5,250,000	5,389,000	5,250,000	
68	Renovate Research Resource Center	15,325,000	15,325,000		
69	Renovate Resurface Track and Cardio Path	1,000,000	1,000,000		
70	Renovate Schneider Hall	21,836,000	21,836,000		
71	Renovate Threlkeld Hall Infrastructure	1,500,000	1,500,000		
72	Renovate W S Speed Building	17,196,000	17,196,000		
73	Utility Distribution - South Belknap Campus	12,416,000	12,416,000		
74	Purchase Artificial Turf - Practice Field Facility (KRS 45.763)	950,000		950,000	
75	Purchase Land Near Belknap Campus East	750,000	750,000		
76	Purchase Land Near Belknap Campus North	8,320,000	8,320,000		
77	Purchase Land Near Belknap Campus South	6,240,000	6,240,000		
78	Purchase Land Near Floyd Street - Parcel I	5,200,000	5,200,000		
79	Purchase Land Near Floyd Street - Parcel II	5,200,000	5,200,000		
80	Purchase Land Near HSC Parcel I (KRS 45.763)	35,615,000		35,615,000	
81	Purchase Land Near HSC Parcel II	6,275,000	6,275,000		750,000
82	Purchase Land Near HSC Parcel III	3,120,000	3,120,000		825,000
83	Purchase Land Near HSC Parcel IV	3,240,000	3,240,000		600,000
84	Purchase Large Frame Plastic Deposition Machine	750,000			
85	Purchase Additive Microdeposition Machine	825,000			
86	Purchase Automatic Bedding Dispensing & Removal	278,000	278,000		
87	Purchase Biological Material Deposition Machine	600,000			
88	Purchase Bulk Sterilizer	421,000	421,000		
89	Purchase Cage and Rack Washer (A Tower)	220,000	220,000		
90	Purchase Cage and Rack Washer (x2, RRC)	398,000	398,000		
91	Purchase Cell Isolation System	600,000	600,000		
92	Purchase Cell Processing Unit (1)	750,000	750,000		
93	Purchase Cell Processing Unit (2)	750,000	750,000		
94	Purchase Computer Processing System	8,000,000	8,000,000		
95	Purchase Console for 18.8 T Nuclear Magnetic Res	900,000	900,000		
96	Purchase Cy ToF Instrument	600,000			600,000
97	Purchase Dematic Robotic Retrieval System x2	2,426,000	2,426,000		
98	Purchase Digital Communications System	6,000,000	6,000,000		
99	Purchase Digital Materials 3-D Printing System	300,000			300,000
100	Purchase Direct Metal Additive Fabrication Machine	650,000			650,000

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
101 Purchase Electronic Research Information System	2,700,000		2,700,000		
102 Purchase Enterprise Application System	6,000,000		6,000,000		
103 Purchase FACSArca II Special Order System	530,000				530,000
104 Purchase Fiber Infrastructure	7,000,000		7,000,000		
105 Purchase Fourier Transform Mass Spectrometer	1,100,000		1,100,000		
106 Purchase High Resolution Echocardiography System	350,000				350,000
107 Purchase High Resolution Triple TOF Mass Spectrometer	400,000				400,000
108 Purchase Image Eyes - Adaptive Optic Renital	200,000				200,000
109 Purchase Individually - Ventilated Caging System	600,000		600,000		
110 Purchase Individually - Ventilated Caging System	597,000		597,000		
111 Purchase IT Data Center Support Systems	20,000,000		20,000,000		
112 Purchase Large Frame Plastic Sintering Machine	900,000				900,000
113 Purchase Leica TCS Sp8 Laser Confocal Scanning	250,000				250,000
114 Purchase Library Chairs and Tables and Wired Study Carrels	275,000		275,000		
115 Purchase MALDI-TOF Mass Spectrometer	500,000				500,000
116 Purchase Metal Evaporation System	250,000				250,000
117 Purchase Micron Diagnostic/Imaging System	200,000				200,000
118 Purchase Mobile Animal Runs	323,000		323,000		
119 Purchase MOCVD System	450,000				450,000
120 Purchase MS-MS Tandem Mass Spectrometer	1,100,000		1,100,000		
121 Purchase Multispectral Imaging Flow Cytometer	390,000		390,000		
122 Purchase Olympus Photon Microscope (x2)	719,000		719,000		
123 Purchase Next Generation DNA Sequencer	525,000		525,000		
124 Purchase Networking System	8,000,000		8,000,000		
125 Purchase Quadruple Orbitrap Mass Spectrometer	500,000				500,000
126 Purchase PET Scanner	3,000,000		3,000,000		
127 Purchase PCs, Printers, Scanners for Libraries	700,000		350,000	350,000	
128 Purchase Rodent Plastic Caging	398,000		398,000		
129 Purchase Scanning Electron Microscope	400,000		400,000		
130 Purchase Security and Firewall Infrastructure	8,000,000		8,000,000		
131 Purchase Soccer Stadium Video Boards	1,050,000		1,050,000		
132 Purchase Storage System	12,000,000		12,000,000		
133 Purchase Super Resolution Confocal Microscope	750,000				750,000
134 Purchase Teleconferencing/Computer Equipment	500,000		500,000		
135 Purchase Ultrasound Trainer - 6 Sonosite Edge	490,000		490,000		
136 Purchase Tunnel Cage Washer	208,000		208,000		
137 Purchase Two Photon Imaging System	480,000				480,000
138 Purchase Two-Photon Laser Scanning Microscope	500,000				500,000
139 Purchase UHR_TOF Mass Spectrometer	500,000				500,000
140 Purchase Ultraview ERS 6FO Confocal Microscope	420,000				
141 Purchase Visualization System (Planetarium)			420,000		
142 Lease Digital Output System	2,000,000				2,000,000
143 Lease - Masters of Fine Arts	-				
144 Lease - West Louisville Center for Community Health, Education & Outreach	-				

Capital Projects Recommendations
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Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
145 Lease - U of L Foundation Office Space	-				
146 Lease - HSC Off-Campus Office Space 1	-				
147 Lease - NUCLEUS Space for Offices	-				
148 Lease - HSC Additional Office/Clinic Space 1	-				
149 Lease -HSC Additional Office/Clinic Space 2	-				
150 Lease - Contract Administration Office Space	-				
151 Lease - Dept of Family & Geriatric Medicine Office, Clinical Space	-				
152 Lease - Dental Clinic Space	-				
153 Lease - Med Center One	-				
154 Lease - IT Data Center	-				
155 Lease - Office Space - Jefferson County	-				
156 Lease - Clinic Space	-				
157 Lease - Academic Space	-				
158 Lease - East End Clinical Space	-				
159 Lease - Belknap Office Space 1	-				
160 Lease - Belknap Office Space 2	-				
161 Lease - Belknap Office Space 3	-				
Subtotal - UofL	\$ 1,055,197,000	\$ -	\$ 876,687,000	\$ 162,673,000	\$ 15,837,000
Kentucky Community and Technical College System					
1 Acquire Land Elizabethtown CTC	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -
2 Construct 2nd Floor Lab Technology Center Hopkinsville	1,000,000		1,000,000		
3 Construct Arboretum & Trails, Maysville CTC	1,320,000		1,320,000		
4 Construct and/or Procure Fire Commission System Office Building	5,527,000		5,527,000		
5 Construct Maintenance & Tech Building, West KY CTC	1,885,000		1,885,000		
6 Purchase Mt. Sterling Center, Maysville CTC	8,000,000		8,000,000		
7 Construct Parking Lot and Lighting, Madisonville CC	1,375,000		1,375,000		
8 Construct New Entrance, Bluegrass CTC, Leestown	1,000,000		1,000,000		
9 Construct Welding Lab, Main Campus, Henderson CC	1,707,000		1,707,000		
10 Construct Second Entrance Main - Madisonville CC	1,000,000		1,000,000		
11 KCTCS Property Acquisition Pool	10,000,000		10,000,000		
12 Purchase Leitchfield Property, Elizabethtown CTC	3,000,000		3,000,000		
13 Renovate Big Sandy CTC Facilities - College Wide	8,030,000		8,030,000		
14 Renovate Hagar Hill Campus, Big Sandy CTC	2,000,000		2,000,000		
15 Renovate and Utility Upgrade, Bluegrass CTC Leestown Campus	1,200,000		1,200,000		
16 Renovations Main Campus, West KY CTC	2,000,000		2,000,000		
17 Replace Fire Alarm & Sec System, Maysville CTC	1,000,000		1,000,000		
18 Infrastructure and Site Improvements, Somerset CC	1,000,000		1,000,000		
19 Soil Stabilization Industrial Ed. Building, Hazard	1,650,000		1,650,000		
20 Upgrade Entrance Ways & Parking, Ashland CTC	1,200,000		1,200,000		
21 Construct Muhlenberg Campus Phase II, Madisonville CC	12,850,000		12,850,000		
22 Expansion of Pikeville Campus, Big Sandy CTC	19,952,000		19,952,000		
23 Construct Arts & Humanities Building, Somerset CC	20,050,000		20,050,000		
24 Advanced Mfg & Automotive Technology Training Center, JCTC	47,732,000		47,732,000		

Capital Projects Recommendations
Restricted Agency, Federal, and Other Funds
2014-16

Institution/Institution Priority / Project Title	Project Scope	General Funds	Institution Funds	Other Funds	Federal Funds
25 Construct Consolidated Allied Health Building, Hazard CTC	26,129,000		26,129,000		
26 Construct Extension Center - Russell County, Somerset CC	15,700,000		15,700,000		
27 Construct Instructional Classroom Complex, South-Central KY CTC	22,000,000		22,000,000		
28 Construct Allied Health Building, Phase II, West KY CTC	16,762,000		16,762,000		
29 Construct Technology Drive Campus Phase III, Ashland CTC	11,771,000		11,771,000		
30 Construct Technical Education Building - Laurel North, Somerset CC	26,875,000		26,875,000		
31 Construct Educational Alliance Center - Middlesboro Campus, SE KY CTC	25,019,000		25,019,000		
32 Construct Bullitt County Campus, JCTC	41,523,000		41,523,000		
33 Construct KY Advanced Tech Institute, Phase II, South-Central KY CTC	9,531,000		9,531,000		
34 Acquisition of System Office, KCTCS System	6,300,000		6,300,000		
35 KCTCS Equipment Pool, KCTCS System	15,000,000		15,000,000		
36 Master Plan Upgrade, KCTCS System	1,500,000		1,500,000		
Subtotal - KCTCS	\$ 373,588,000	\$ -	\$ 373,588,000	\$ -	\$ -
Council on Postsecondary Education					
1 CPE - New Lease	0.00		0.00		
System Total	\$ 3,470,146,000	\$ -	\$ 2,895,216,000	\$ 514,542,000	\$ 60,388,000

**Capital Projects Recommendations
Guaranteed Energy Savings/Performance Contracting Projects
2014-16**

<u>Institution and Project Title</u>	<u>Project Scope (1)</u>
1 Eastern Kentucky University	N/A
2 Kentucky State University	N/A
3 Morehead State University	N/A
4 Murray State University	N/A
5 Northern Kentucky University	N/A
6 Western Kentucky University	N/A
7 University of Kentucky - Main Campus	N/A
8 University of Kentucky - Hospital	N/A
9 University of Louisville	N/A
10 Kentucky Community and Technical College System	N/A

Note:

1. A scope amount is not required for a project in this category.

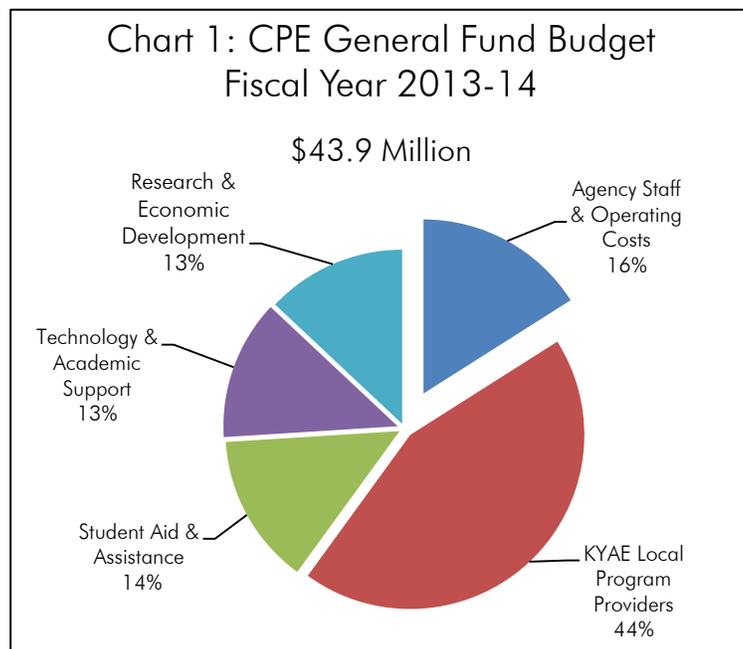
2014-16 Postsecondary Education Budget Recommendation CPE Agency Budget

Budget Overview

The Council's agency budget can be broken down into five main categories: (1) agency staff and operating costs; (2) Kentucky Adult Education (KYAE) local program providers; (3) student aid and assistance; (4) technology and academic support; and (5) research and economic development. Each of these components is described briefly below.

Agency Staff and Operating Costs. General Fund appropriations for CPE staff and operating costs support traditional expenditures associated with the Council's postsecondary education coordinating board role, including resources for policy leadership, strategic planning, regulation of the state's postsecondary education system, higher education finance policy analysis and development (including the biennial budget recommendation and tuition setting), administrative services, communications, academic affairs and program review, economic development and STEM initiatives, and information, research, and technology support.

As can be seen in Chart 1, about 16 percent of the Council's 2013-14 General Fund budget is allocated to agency staff and operating costs. Included in that percentage are funds for KYAE program administration and coordination (administrative personnel in Frankfort).



KYAE Local Program Providers. State appropriations for KYAE local program providers flow through the Kentucky Adult Education and Literacy Funding Program and comprise about 44 percent of the Council's total agency budget. These funds support adult education instructional activities throughout the Commonwealth.

Student Aid and Assistance. This category includes student aid and assistance, and other educational support, but the majority of expenditures are for Contract Spaces and other forms of student financial aid. About 14 percent of the agency's General Fund budget is allocated to student financial aid programs and assistance.

Technology and Academic Support. The primary funding categories in technology and academic support are Kentucky Virtual Campus (KYVC), the Kentucky Virtual Library (KYVL), the Kentucky Postsecondary Education Network (KPEN), and the Kentucky Postsecondary Education Data System (KPEDS). A new addition to this category is Teacher Quality Initiatives, which is funded with SB1 appropriations. About 13 percent of the agency's budget is allocated to technology and academic support programs.

Research and Economic Development. This category primarily includes initiatives coordinated by the Kentucky Science and Technology Corporation (KSTC). About 13 percent of the Council's agency budget is allocated to research and economic development programs and services.

2014-16 Agency Budget Request

With a few exceptions, CPE staff limited expansion requests for the upcoming biennial budget request to modest, inflationary two percent increases in both 2014-15 and 2015-16. These increases are slightly below the Consensus Forecasting Group's growth estimates for the state's General Fund over the next two years. Several statewide initiatives have critical funding needs that exceed small inflationary increases. Staff is requesting larger funding increases for Contract Spaces, SREB Doctoral Scholars, and Adult Education. Finally, state law requires CPE to request funds to fully fund Kentucky Employee Retirement System (KERS) increases and employee salary cost of living adjustments. These mandates exceed the staff's self-imposed 2 percent and 4 percent growth limits.

- The Council staff recommends that the Council request increases in General Fund appropriations of \$2,071,700 in 2014-15 and \$3,316,600 in 2015-16 to support the agency's statewide postsecondary coordinating board role.

When added to the agency's enacted 2013-14 General Fund base of \$43,933,000, these increases result in total appropriations of \$46,004,700 in 2014-15 and \$47,249,600 in 2015-16 (excluding postsecondary institution funds and debt service). Major components of the agency budget request are shown in Table 1, followed by a brief description of each component.

Table 1: Components of 2014-16 Agency Budget Request

Description	2014-15	2015-16
Beginning Base (2013-14 General Fund)	\$43,933,000	\$43,933,000
Additional Budget Requests For:		
Agency Staff and Operating Costs	451,900	859,900
KYAE Local Program Providers	1,114,300	1,466,100
Student Aid and Assistance	305,300	590,300
Technology and Academic Support	85,800	171,600
Research and Economic Development	114,400	228,700
Subtotal ^{(a)(b)}	2,071,700	3,316,600
Total Agency Budget Request	\$46,004,700	\$47,249,600

(a) Does not include \$2.4 million in 2014-15 or \$20.4 million in 2015-16 for an Adult Learner Initiative and a Performance Funding Program for the postsecondary institutions.

(b) Does not include \$73.1 million in debt service for asset preservation, renovation, and new or expanded space projects at the postsecondary institutions, for an information technology pool, for a fifth round of Bucks for Brains funding, or for a new Workforce Development Match Program, which will be housed in several CPE trust funds.

For a detailed display of the Council's 2014-16 Agency Budget request see Attachment N.

Agency Staff and Operating Costs. The Council on Postsecondary Education is an agency located within the Executive Branch of state government. As such, the Council is required under the 2014-16 Branch Budget Guidelines to request an increase in General Fund appropriations to cover cost increases related to personnel and fringe benefits (e.g., statutory cost of living adjustments, increases in retirement system contributions). Since these required increases are already "defined" and calculated on behalf of state agencies, they are referred to in the budget process as "defined calculations." In 2014-16, over 90 percent of proposed increases in agency staff and operating costs stem from defined calculations and mandated salary adjustments.

- The Council staff recommends that the Council request increases in General Fund appropriations of \$451,900 in 2014-15 and \$859,900 in 2015-16 to support CPE staff and operating costs.

Components of the Agency Staff and Operating Costs request are shown in Table 2, followed by a brief description of each component.

Table 2: Components of 2014-16 Staff and Operating Cost Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Salaries and Wages	\$160,800 ^(a)	\$500,600 ^(a)
Kentucky Employee Retirement System	253,000 ^(b)	287,900 ^(b)
Mandated Increases	5,100	5,400
Other Personnel and Operating Costs	33,000	66,000
Total Staff and Operating Cost Request	\$451,900	\$859,900

^(a) Includes statutorily required 5.0 percent cost of living adjustment in each year of the biennium.

^(b) Includes mandated requests each year of the biennium for KERS rate increases.

KYAE Local Program Providers. *The Kentucky Adult Education Act of 2000 (SB 1)* challenges Kentucky Adult Education with having “an efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.”

With the adoption of *Stronger by Degrees: A Strategic Agenda for Kentucky Postsecondary and Adult Education*, the Council approved new performance targets for KYAE, which include producing 11,500 more GED graduates by 2015 and transitioning 26 percent of those GED graduates to postsecondary education. To achieve these aggressive targets, KYAE needs additional appropriations to support county-level adult education program providers.

- The Council staff recommends that the Council request increases in General Fund appropriations of \$1,114,300 in 2014-15 and \$1,466,100 in 2015-16 to support KYAE local program providers.

On a percentage basis, these increases are similar to increases being requested on behalf of the public postsecondary institutions each year of the biennium. If approved by the Council and authorized by the General Assembly, the lion’s share of these funds will be distributed among the KYAE local program providers based on relative need for program services in each county of the Commonwealth.

These funds will be used to: (a) expand the number of instructional hours; (b) purchase new curriculum resources to prepare adults for the demands of postsecondary education and the workforce; (c) purchase online curricula aligned to Common Core Standards to allow students remote access at their convenience; and (d) support professional development for adult education instructors to ensure they have the knowledge and technical skills needed to teach at higher levels.

Student Aid and Assistance. CPE agency funds support a small number of statewide student aid and assistance programs and services. Given the austere budgetary environment over the past five years, the Council staff recommends increases in funding for the Contract Spaces Program (which is basically student financial aid), as well as, General Fund replacement funds for the SREB Doctoral Scholars Program.

- The Council staff recommends that the Council request increases in General Fund appropriations of \$305,300 in 2014-15 and \$590,300 in 2015-16 to support student financial aid and assistance programs administered through CPE.

Components of the Student Aid and Assistance request are shown in Table 3, followed by a brief description of the Contract Spaces and SREB Doctoral Scholars programs.

Table 3: Components of 2014-16 Student Aid and Assistance Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Contract Spaces	\$240,200 ^(a)	\$511,000 ^(a)
Professional Education Prep. Program	5,300	10,600
Governor's Minority Student College Prep. Program	3,700	7,400
State Autism Training Center	2,600	5,300
SREB Doctoral Scholars Program	53,500 ^(b)	56,000 ^(b)
Washington Intern Program	0	0
Total Student Aid and Assistance Request	\$305,300	\$590,300

^(a) Includes anticipated tuition increases for students participating in the Contract Spaces Program.

^(b) Will allow the number of students participating in the SREB Doctoral Scholars Program to increase from three to five.

Contract Spaces Program. The Contract Spaces program provides Kentucky students with access to veterinary medicine and optometry degree programs at certain out-of-state postsecondary institutions at resident tuition rates. These degree programs are not offered at public institutions in Kentucky. This program accounts for 88 percent of the Council's student aid and assistance budget.

The Council contracts with the Southern Regional Educational Board (SREB) which reserves veterinary medicine and optometry seats for Kentucky students. SREB reserves veterinary medicine seats at Auburn University and Tuskegee University, and optometry seats at Southern College of Optometry in Memphis, TN, and the University of Alabama at Birmingham (UAB). The Council also contracts with Indiana University for optometry seats. Council staff recommends that the budget request maintain funding for 164 veterinary medicine seats and 44 optometry seats and cover anticipated tuition increases in academic years 2014-15 and 2015-16 for these programs.

SREB Doctoral Scholars Program. The Kentucky SREB Doctoral Scholars Program is implemented collaboratively by the Council, the University of Kentucky, and the University of Louisville to help doctoral candidates complete a doctorate more quickly and to encourage them to join the ranks of the professoriate. The program provides opportunities for professional development, as well as, encouragement and support for students to matriculate from their doctoral programs and to achieve their scholarly goals. In 2014-16, Council staff is recommending sufficient funding for this program to increase the number of program participants from three to five.

Technology and Academic Support. This funding category in the Council's agency budget is comprised of two main components: (a) statewide academic support services focused primarily on information technology that are allocated to the Council's Technology Initiative Trust Fund; and (b) K-12 teacher quality initiatives initially funded through SB 1.

Like many areas of state government, the technology programs coordinated by the Council have experienced substantial budget reductions since 2007-08. Despite the recent dearth in funding, the services provided by the Kentucky Virtual Campus (KYVC), the Kentucky Virtual Library (KYVL), the Kentucky Postsecondary Education Network (KPEN), and the Kentucky Postsecondary

Education Data System (KPEDS) have continued to enhance the efficiency and innovation of many postsecondary institution operations.

Senate Bill 1 (2009) set ambitious goals for increases in college readiness of Kentucky high school graduates and for concomitant reductions in remedial instruction at Kentucky colleges and universities. Over the past four years, CPE's SB 1 initiatives have encouraged partnerships among public and private colleges and universities and K-12 schools necessary to implement Common Core standards and related assessments. College readiness of high school graduates increased from 34% in 2010 to 54% in 2013. Between fall semesters 2010 and 2011, the college readiness of recent high school graduates at Kentucky colleges and universities rose by 6.1%. Students who enter postsecondary education college ready are twice as likely to earn a degree as students who are not academically prepared.

The Council's 2011-15 Strategic Agenda calls for Kentucky's postsecondary education system to build upon the success of KYVC and KYVL to maximize the use of technology in implementing academic innovations, and to strengthen K-12 educator programs and expand the role of higher education institutions in the delivery of professional development programs for teachers, school leaders, guidance counselors, adult education instructors, and faculty members.

- The Council staff recommends that the Council request increases in General Fund appropriations of \$85,800 in 2014-15 and \$171,600 in 2015-16 to support KYVC, KYVL, and KPEN technology initiatives, and further recommends that the Council endorse and support continuation of current funding levels for SB 1 initiatives.

Kentucky Virtual Campus (KYVC). KYVC maintains several statewide contracts which enable it to provide eLearning services to its academic and state agency partners.

Kentucky Virtual Library (KYVL). KYVL acts as the hub of a consortium which serves libraries located at public colleges and universities, public K-12 schools, public libraries, over 30 independent colleges and universities, and various private K-12 schools and libraries across the state. As one of its services, KYVL negotiates statewide contracts for electronic databases to be used by all Kentuckians. The KYVL began in 1999 and has been able to level the playing field with respect to access to information for all Kentucky citizens. KYVL returns \$10 in cost savings for every \$1 invested in statewide contracts for electronic learning materials.

Kentucky Postsecondary Education Network (KPEN.) This network delivers Internet service to public colleges and universities at 70 locations throughout the Commonwealth. The use of Internet services keeps institution costs down and enables innovative teaching methods. Currently, CPE's agency budget financially supports a baseline network for the state's public postsecondary institutions. Under the master agreement, institutions may purchase additional services and bandwidth directly from the vendor.

Kentucky Postsecondary Education Data System (KPEDS). A fundamental responsibility of the Council is to collect and maintain longitudinal data on students and institutions through KPEDS. The Council has been collecting comprehensive and detailed data for over 30 years. Unfortunately, the usefulness of these data is hampered by the lack of modern reporting tools,

and data quality is challenged by the lack of a systematic approach to data quality assurance. Inflationary growth funding will maintain the current system until funds become available to make the system more useful.

Teacher Quality Initiatives (SB 1). In 2009, SB 1 called for improvement in the rate of students entering postsecondary education with developmental needs and for greater success of those students once they arrive on campuses. Activities designed to achieve these goals are ongoing at the campus level and serve not only students already enrolled in postsecondary education, but also serve students in P-12 through their impact on teacher preparation programs and academic assessment.

As indicated above, the Council staff recommends that the Council endorse and support continuation funding for Teacher Quality Initiatives (SB 1), as well as, approve College and Career Readiness funding requested as part of the postsecondary institution operating request.

Research and Economic Development. The Council's agency budget also finances a number of research and economic development programs intended to stimulate innovation and job creation in Kentucky. Internally, these funds are allocated to the Council's Science and Technology Funding Program. Via a contract with the Council, the Kentucky Science and Technology Corporation (KSTC) administers two major programs - the Kentucky Science and Engineering Foundation and the Kentucky Enterprise Fund.

Over time, these programs have generated strong demand for increased funding that far surpasses current appropriation levels. Increased funding for these growing programs will enable Kentucky to further develop existing areas of innovation and sustain the critical pipeline of new technologies to build a viable knowledge-based, entrepreneurial economy.

- The Council staff recommends that the Council request increases in General Fund appropriations of \$114,400 in 2014-15 and \$228,700 in 2015-16 to support KSTC programs.

Postsecondary Institutions. The proposed 2014-16 agency budget request contains funding for the postsecondary institutions that, for timing reasons, will have to come to the Council before being distributed to the institutions. For example, until the number of degrees conferred in academic year 2013-14 is known, the distribution among institutions of \$18.0 million requested for Performance Funding in 2015-16 cannot be calculated. Similarly, the distribution of \$2.4 million in Kentucky Adult Learner Initiative funds has not been determined at this time, but there is a preliminary implementation budget in place that assumes three public four-year universities and KCTCS will participate. These start-up funds will be crucial in making the initiative viable in the first few years of implementation.

- The Council staff recommends that the Council request General Fund appropriations of \$2,420,000 in 2014-15 and \$20,420,000 in 2015-16 to support pass-through funding for the postsecondary institutions for a Performance Funding Program and a Kentucky Adult Learner Initiative.

Components of the postsecondary institutions' pass-through request are shown in Table 4. More information on these programs can be found in the Institutional Operating Budget request materials.

Table 4: Components of 2014-16 Postsecondary Institutions Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Performance Funding (Degree Production)	\$0	\$18,000,000
Kentucky Adult Learner Initiative	2,420,000	2,420,000
Total Postsecondary Institutions Request	\$2,420,000	\$20,420,000

Debt Service. The Council is required to request appropriations to support a full year of debt service needed to fund capital investments, information technology, Bucks for Brains, and a new Workforce Development Match Program (WDMP) on behalf of postsecondary education institutions. Please refer to the Capital Investments section of this agenda book for details on capital and information technology investments and the Trust Funds section for details on Bucks for Brains and the WDMP.

- The Council staff recommends an appropriation of \$73,071,000 in 2015-16, recurring in subsequent years, to pay debt service on: (a) a \$600.0 million, 20-year bond issue to fund asset preservation, renovation, and new and expanded space at the postsecondary institutions; (b) a \$60.0 million, 10-year bond issue to fund an information technology pool for the postsecondary system; and (c) a \$95 million, 20-year bond issue to fund a fifth round of Bucks for Brains for the research and comprehensive universities, and a new Workforce Development Match Program for KCTCS.

Table 5: Components of 2014-16 Debt Service Request

Description	2014-15	2015-16
Additional Budget Requests For:		
Physical Facilities Trust Fund	\$0	\$55,872,000 ^(a)
Technology Initiative Trust Fund	0	8,349,000 ^(b)
Research Challenge Trust Fund	0	6,984,000 ^(c)
Comprehensive University Excellence Trust Fund	0	1,398,000 ^(d)
Workforce Development Trust Fund	0	468,000 ^(e)
Total Debt Service Request	\$0	\$73,071,000

^(a) Debt service on \$318.0 million for asset preservation and renovation projects and \$282.0 million for new and expanded E&G and research space.

^(b) Debt service on \$60.0 million for Information Technology projects at the institutions. Includes funding for a \$1.2 million Adult Learner Initiative capital project.

^(c) Debt service on a \$75.0 million Bucks for Brains request for the research institutions (\$50.0 million at UK and \$25.0 million at UofL).

^(d) Debt service on a \$15.0 million Bucks for Brains request for the comprehensive universities.

^(e) Debt service to fund \$5.0 million for a new Workforce Development Match Program at KCTCS.

Other Fund Sources

Several programs administered by CPE also receive funds from other sources, including the Lung Cancer Research Program funded with tobacco settlement funds, the Cancer Research Match Program and non-public and proprietary licensure programs funded with restricted funds, and Kentucky Adult Education, GEARUP, and teacher quality grants funded with federal funds. As part of the biennial budget process, the Council is required to request spending authority to distribute and expend these funds.

Tobacco Settlement Funds. The 2000 General Assembly created the Lung Cancer Research Fund to support research, conducted at UK's Markey Cancer Center and UofL's Brown Cancer Center, which explores the causes, detection, and treatments of lung cancer. The program benefits Kentuckians through discovery of new cancer therapies, clinical trials, and an early detection research program. These funds are allocated to the Council's Research Challenge Trust Fund.

- The Council staff recommends an appropriation of Tobacco Settlement Funds of \$4,367,700 in both 2014-15 and 2015-16 for the Lung Cancer Research Fund. These funds are not included in the Council's General Fund request.

Restricted Funds. Restricted funds are also not included in the Council's General Fund request. However, a request for an appropriation (spending authority) for these funds must be submitted. The largest program funded with restricted funds is the Cancer Research Matching Fund supported by the cigarette tax (one cent per pack of the total cigarette tax) and distributed to UK and UofL. CPE receives additional restricted funds from the federal government through indirect cost recovery on federal grants. CPE receives restricted funds from individuals requesting a GED transcript and through KYVC/KYVL technology contracts. CPE also receives funds through the licensure of non-public bachelor's degree (and above) granting institutions doing business in Kentucky.

Four years ago, the Council started receiving licensure fees to support its statutory obligation to protect institutions and citizens of the Commonwealth against those colleges which resort to fraudulent practices, unfair competition, or substandard educational programs per KRS 164.947. These funds support site visits required by the statute and support additional personnel and operating expenses to better handle the increased volume and complexity of licensing colleges and degree programs in Kentucky.

- In total, Council staff requests a restricted funds appropriation increase in the current year of \$650,000, an appropriation of \$6,797,000 in 2014-15, and \$6,827,600 in 2015-16. These funds are not included in the Council's General Fund request.

Federal Funds. The Council receives federal funds through the administration of several federal programs, including Kentucky GEARUP (an additional \$2,500,000 will be requested in the current fiscal year and a total of \$4,500,000 in federal funds will be requested for both 2014-15 and 2015-16), Improving Educator Quality State Grant Program (\$1,900,000 in both 2014-15 and 2015-16), and Kentucky Adult Education (\$12,322,000 in both 2014-15 and 2015-16).

Federal funds are received and disbursed according to the terms and conditions that accompany award of the funds. Actual expenditures for these programs are consistent with the funds available for them.

- The Council staff recommends an additional appropriation of \$2,500,000 in federal funds for 2013-14, and annual total appropriations of \$18,722,000 in both 2014-15 and 2015-16 to allow for federal fund expenditures related to Kentucky GEARUP, Improving Educator Quality State Grant Program, Statewide Longitudinal Database, and Kentucky Adult Education. These funds are not included in the Council's General Fund request.

Staff preparation by Bill Payne and Shaun McKiernan

Council on Postsecondary Education
2014-16 General Fund Agency Budget Request

Attachment N
November 7, 2013

Funding Category / Programs	FY 14 Base	FY 15 Increase*	FY 15 Request	FY 16 Increase*	FY 16 Request	FY 15 % Increase	FY 16 % Increase
Agency Staff and Operating Costs ¹							
Salaries and Wages (State Mandated Increases)	\$4,445,500	\$160,800	\$4,606,300	\$500,600	\$4,946,100	3.6%	11.3%
KY Employee Retirement System (Mandated Increases)	804,500	253,000	1,057,500	287,900	1,092,400	31.4%	35.8%
Other Mandated Increases	-	5,100	5,100	5,400	5,400	N/A	N/A
Other CPE Personnel and Operating Costs	1,651,200	33,000	1,684,200	66,000	1,717,200	2.0%	4.0%
Subtotal	\$6,901,200	\$451,900	\$7,353,100	\$859,900	\$7,761,100	6.5%	12.5%
Kentucky Adult Education Local Program Providers	\$19,548,600	\$1,114,300	\$20,662,900	\$1,466,100	\$21,014,700	5.7%	7.5%
Student Aid and Assistance							
Contract Spaces (Includes Tuition Increase)	\$5,201,600	\$240,200	\$5,441,800	\$511,000	\$5,712,600	4.6%	9.8%
Professional Education Prep. Program	265,100	5,300	270,400	10,600	275,700	2.0%	4.0%
Governor's Minority Student College Prep. Program	185,200	3,700	188,900	7,400	192,600	2.0%	4.0%
State Autism Training Center	132,400	2,600	135,000	5,300	137,700	2.0%	4.0%
SREB Doctoral Scholars Program	71,500	53,500	125,000	56,000	127,500	74.8%	78.3%
Washington Intern Program	76,100	-	76,100	-	76,100	0.0%	0.0%
Subtotal	\$5,931,900	\$305,300	\$6,237,200	\$590,300	\$6,522,200	5.1%	10.0%
Technology and Academic Support							
Technology (KYVC/ML and KPEN)	\$4,288,800	\$85,800	\$4,374,600	\$171,600	\$4,460,400	2.0%	4.0%
Teacher Quality Initiatives (SB1)	\$1,544,600	-	\$1,544,600	-	\$1,544,600	0.0%	0.0%
Subtotal	\$5,833,400	\$85,800	\$5,919,200	\$171,600	\$6,005,000	1.5%	2.9%
Research and Economic Development	\$5,717,900	\$114,400	\$5,832,300	\$228,700	\$5,946,600	2.0%	4.0%
CPE General Fund Subtotal	\$43,933,000	\$2,071,700	\$46,004,700	\$3,316,600	\$47,249,600	4.7%	7.5%

Funding Category / Programs	FY 14 Base	FY 15 Increase	FY 15 Request	FY 16 Increase	FY 16 Request	FY 15 % Increase	FY 16 % Increase
Postsecondary Institutions							
Degree Production Performance Fund	N/A	\$0	\$0	\$18,000,000	\$18,000,000	N/A	N/A
Kentucky Adult Learner Initiative	N/A	\$2,420,000	\$2,420,000	\$2,420,000	\$2,420,000	N/A	N/A
Subtotal	N/A	\$2,420,000	\$2,420,000	\$20,420,000	\$20,420,000	N/A	N/A
Debt Service							
Physical Facilities Trust Fund (\$600 M in Capital)	N/A	\$0	\$0	\$55,872,000	\$55,872,000	N/A	N/A
Technology Initiative Trust Fund (\$60 M in Capital) ²	N/A	-	-	8,349,000	8,349,000	N/A	N/A
Research Challenge Trust Fund (\$75 M) ³	N/A	-	-	6,984,000	6,984,000	N/A	N/A
Comprehensive University Excellence Trust Fund (\$15 M) ³	N/A	-	-	1,398,000	1,398,000	N/A	N/A
Workforce Development Match (\$5 M in Endowment)	N/A	-	-	468,000	468,000	N/A	N/A
Subtotal	N/A	\$0	\$0	\$73,071,000	\$73,071,000	N/A	N/A

*Increases shown in FY15 and FY16 are relative to the FY14 base.

¹ CPE is required by statute to request a 5% salary increase for state employees each year of the biennium and KERS rates of 26.79% in FY14, 38.41% in FY15, and 38.8% in FY16.

² Included in the \$60 M request for the Technology Trust Fund is \$1.2 M for the Adult Learner Initiative (i.e., Commonwealth College).

³ The Research Challenge Trust Fund and the Comprehensive University Excellence Trust Fund together make up the "Bucks for Brains" Program. Funds can be used for Endowment or Capital.

Improving Educator Quality (IEQ) State Grant Program

ACTION: The staff recommends that the Council on Postsecondary Education award federal *No Child Left Behind*, Title II, Part A, funds in the amount of \$839,000 for January 1, 2014–June 30, 2015, to support seven projects.

1. *Success in Algebra: Improving Special Education Teaching Practice* (University of Kentucky): \$120,000—Year 2
2. *Collaborative for Inquiry-Based Instruction* (Northern Kentucky University): \$120,000—Year 2
3. *Algebraic Dynamic Duo: Integrating Hands-On Learning and Problem Solving to Increase Student Achievement* (Morehead State University): \$120,000—Year 2
4. *FLIP: Using Video Podcasts for Mathematics Instruction and Intervention* (Northern Kentucky University): \$120,000—Year 2
5. *Integrating Engineering in the Sciences (IES)* (University of Kentucky): \$130,000
6. *Project-Based Investigations on Improving Water Quality in the Kentucky River Watershed* (University of Kentucky): \$130,000
7. *Enriching Science Learning through Simulations and Interdisciplinary Problem-Solving* (Murray State University): \$99,000

The Improving Educator Quality State Grant Program awards grants to partnerships that deliver research-based professional development programs to P-12 teachers. To be eligible, a partnership must include a postsecondary institution's school of arts and sciences and its teacher preparation program, as well as at least one high-need local school district. The program enables states to fund training for teachers and administrators in any core academic subject.

Senate Bill 1 (2009 Regular Session) was signed by the Governor on March 26, 2009. The bill calls upon the Kentucky Department of Education, in collaboration with the Kentucky Council on Postsecondary Education, to plan and implement a comprehensive process for revising academic content standards. Working collaboratively, the agencies have developed a comprehensive process to revise standards in all content areas. A comprehensive process

was also developed to create a unified strategy to reduce college remediation rates and increase graduation rates of postsecondary students with developmental education needs. Kentucky's participation in the Common Core Standards initiative for English/language arts and mathematics ensures that the tenets of Senate Bill 1 (codified as KRS 158:6451) are met. The Common Core State Standards Initiative is a state-led effort coordinated by the National Governors Association Center for Best Practices (NGA Center) and the Council of Chief State School Officers (CCSSO).

The Kentucky Department of Education, the Education Professional Standards Board, and the Council on Postsecondary Education jointly adopted these standards on February 10, 2010.

The standards are aligned with college and work expectations, include rigorous content and application of knowledge through high-order skills, build upon strengths and lessons of current state standards, are internationally-benchmarked so that all students are prepared to succeed in the global economy and society, and are evidence and/or research-based.

The Kentucky Board of Education adopted the Next Generation Science Standards (NGSS) on August 8, 2013. The Next Generation Science Standards will lay out the core ideas and practices in science that students should master in preparation for college and careers.

To that end, the Council is focusing Year 12 of the Improving Educator Quality State Grant Program on projects that fully integrate the new Common Core Standards and Next Generation Science Standards and related assessments in a way that assists teachers in providing intervention in content areas for students in need of accelerated learning.

External reviewers and content-area specialists reviewed twelve grant proposals and made recommendations to the Council staff. Seven proposals were selected. Brief descriptions of these projects follow.

1. University of Kentucky: \$120,000—Year 2

Success in Algebra: Improving Special Education Teaching Practice
Kimberly Zeidler-Watters, principal investigator

The University of Kentucky will provide content and strategies for special education teachers to facilitate and develop effective classroom experiences for their students. The content focus will be on developing a deeper understanding for the teacher participants on number concepts as they relate to success in algebra. The interventions are necessary for special needs students who have gaps in learning so they are prepared for and can be successful in Algebra I courses. The proposal will target 20 special education middle and high school mathematics teachers.

2. Northern Kentucky University: \$120,000—Year 2

Collaborative for Inquiry-Based Instruction

Jennifer Stansbury Koening and Susan Cook, principal investigators

Northern Kentucky University, in collaboration with Thomas More College, will expand support for the professional learning community of Instructional Coaches established by the Northern Kentucky Partnership Academy. CIBI will promote best practices of inquiry-based and project-based instructional strategies during workshops convened by postsecondary experts of teacher education, mathematics, sciences, and literacy. Participants will engage in experiential instruction that builds their capacity to effectively coach teachers to implement inquiry-based and project-based instructional strategies to accelerate student learning.

3. Morehead State University: \$120,000—Year 2

Algebraic Dynamic Duo: Integrating Hands-On Learning and Problem Solving to Increase Student Achievement

Krista Barton, principal investigator

Morehead State University will engage 40 middle and high school math and math-collaboration special education teachers. The project's objectives are (1) identify students in need of accelerated learning through rigorous and scientifically researched assessment practices to make appropriate content-based interventions for assistance in algebra instruction, especially students beyond 8th grade still struggling with algebra concepts, (2) implement instructional practices, informed by scientifically based research, for teaching algebra with a focus on depth of knowledge in algebraic concepts as defined by Common Core Standards, (3) fully integrate professional development that assists teachers in analyzing ACT College Readiness Assessment (Explore, Plan, and ACT) scores to inform instruction and strategies to assist students' achievement on these tests, and (4) empower teachers through self-reflection and analysis in the creation of individual action plans.

4. Northern Kentucky University: \$120,000—Year 2

FLIP: Using Video Podcasts for Mathematics Instruction and Intervention

Theodore Hodgson and Renee Campoy, principal investigators

Northern Kentucky University, in collaboration with Murray State University and the Kentucky Center for Mathematics will provide mathematics teachers the opportunity to pilot a flipped instructional model. With the guidance of university specialists in mathematics education, teacher education, and technology, 30 teachers in grades 7-12 will "flip" the traditional instructional sequence using content-based video podcasts. In the flipped classroom, students view teacher-created video podcasts of the lesson as homework. Time in the classroom is then devoted to clarifying discussions, computational and conceptual practices, and enrichment activities. Research on this emerging model indicates that students are more actively engaged in the classroom, achieve and succeed at higher levels, and assume greater responsibility for their learning.

5. University of Kentucky: \$130,000

Integrating Engineering in the Sciences (IES)

Kimberly Zeidler-Watters, principal investigator

Through a broad partnership facilitated by the Partnership Institute for Math and Science Education Reform (PIMSER), comprised of high school science teacher teams, science educators, and scientists, the project will work to develop, pilot, and revise high school instructional units of study. With the addition of Global Climate and several human health-related core ideas in the NGSS, high school science programs have a high need for assistance with developing units that address these concepts and integrate engineering. Participating in IES is designed to move science teachers from test preparation to designing classroom experiences that genuinely prepare students to be college and career ready.

6. University of Kentucky: \$130,000

Project-Based Investigations on Improving Water Quality in the Kentucky River Watershed

Rebecca McNall Krall, principal investigator

This professional development project aims to improve 27 middle school teachers' abilities to develop and implement engaging project-based learning (PBL) units relating to the Kentucky River Watershed. The central goal of the project is to improve middle school teachers' competence and confidence in teaching and applying Kentucky Core Academic Standards and Next Generation Science Standards in authentic STEM contexts that engage students in doing science and applying knowledge in authentic contexts.

7. Murray State University: \$99,000

Enriching Science Learning through Simulations and Interdisciplinary Problem-Solving

Yuejin Xu, principal investigator

Murray State University, in collaboration with Madisonville Community College, the University of Kentucky, Kentucky Academy of Technology Education, and six school districts, proposes to offer professional development helping science and mathematics teachers meet the requirements of the Next Generation Science Standards and Kentucky Core Academic Standards for Mathematics and learn to effectively use simulations and interdisciplinary problem-solving for students in need of accelerated learning. Through intensive summer training and online mentoring throughout the school year, participating teachers will gain insight into the new standards for science and mathematics, and explore effective strategies for engaging students with science simulations and interdisciplinary problem-solving activities.

Staff preparation by Kathy Garrett

New Academic Programs Murray State University and Western Kentucky University

ACTION: The staff recommends that the Council approve the Doctor of Education P-20 and Community Leadership and the Master of Arts in Postsecondary Education Administration at Murray State University; and the Bachelor of Arts in Chinese and the Bachelor of Arts in Arabic at Western Kentucky University.

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions.

Murray State University

Doctor of Education P-20 and Community Leadership (CIP Code: 13.0401)

The proposed Doctor of Education in P-20 and Community Leadership is a 60-hour program designed to develop innovative P-20 leaders. The program is comprised of a core of 42 credit hours, a nine-credit-hour dissertation, and 18 credit hours in a specialization area. There are three areas of specialization - STEM Leadership, pK-12 and Postsecondary Leadership. The program is structured using an accelerated, cohort approach with candidates enrolling in six credit hours each semester.

Master of Arts in Postsecondary Education Administration (CIP Code: 13.0406)

The proposed Master of Arts in Postsecondary Education Administration degree is a 45-hour program comprised of a 30-credit-hour core, a nine-credit-hour concentration area, and a six-credit-hour internship. There are two concentration areas - student affairs and higher education. The program is geared toward professionals who want to move into leadership positions within community colleges or universities.

Western Kentucky University

Bachelor of Arts in Chinese (CIP Code: 16.0301)

The proposed Bachelor of Arts in Chinese is a 36-hour program, with 21 credit hours in the core and 15 credit hours in guided electives. This program will provide WKU undergraduates with extensive language training and an in-depth study of Chinese culture and society, which prepare them to use Chinese proficiently in their professional endeavors. Most courses will be delivered in the target language until students' proficiency has reached the advanced level at which point they can take up to six credit hours of 300- or 400-level

Chinese studies courses delivered in English. The K-12 Chinese programs in WKU's area of geographic responsibility and the university's Chinese Flagship, Confucius Institute, Asian Studies minor program, and Asian Religions and Cultures major program have created the demand for an articulated program of Chinese language.

Bachelor of Arts in Arabic (CIP Code: 16.1101)

The Bachelor of Arts in Arabic is a 36-hour program, consisting of 18 credit hours in the core and 18 credit hours in guided electives. This program will prepare graduates to perform proficiently in their careers with a comprehensive education in Arabic language and culture. All courses will be delivered in the target language, with the exception of two optional electives (six credit hours) of courses offered by other departments. Since this program will be focused on Arabic language, it is distinguished from others in the Commonwealth, which are broader Islamic Studies or Middle Eastern Studies programs.

Staff preparation by Paul Blankenship

13 KAR 3:050 GED® Eligibility Requirements - Regulation Amendment – Not Amended After Comments

ACTION: The staff recommends that the Council approve the proposed response to the public comments received on the proposed amendment to 13 KAR 3:050 received in the attached Statement of Consideration, and that the regulation not be amended in response.

At its September 12, 2013, meeting, the Council approved a proposed amendment to 13 KAR 3:050, which sets forth the eligibility requirements for individuals to take the GED® exam. The proposed amendment was filed with the regulations compiler on September 13, 2013. A public hearing was scheduled for October 22, 2013, but there were no requests to attend and therefore the hearing was cancelled. However, written comments were received before the October 31, 2013, deadline and have been reprinted in the attached Statement of Consideration. Staff responses to those comments are contained therein and are submitted for approval.

Based on the comments received, which seek to prohibit adults from certifying GED® test ready through online examination, the CPE staff recommends that the regulation not be amended in response.

Staff preparation by Travis Powell

STATEMENT OF CONSIDERATION
Relating to 13 KAR 3:050
(Not Amended After Comments)

I. A public hearing on 13 KAR 3:050, scheduled for October 22, 2013 at 10:00am at the Council on Postsecondary Education (CPE) was canceled; however, written comments were received during the public comment period.

II. The following people submitted written comments:

<u>Name and Title</u>	<u>Agency/Organization/Entity/Other</u>
Charlene Brown, Coordinator Career and College Bound Services	Jefferson County Public Schools, Adult and Continuing Education
Joyce Griffith, Director	Jefferson County Public Schools, Adult and Continuing Education

III. The following people from the promulgating administrative body responded to the written comments:

<u>Name and Title</u>
Travis Powell, General Counsel, Council on Postsecondary Education

IV. Summary of Comments and Responses

(1) Subject Matter: Test Readiness Certification

(a) Commentator: Charlene Brown

Comment: I am gravely concerned about the test readiness aspects of this legislation.

The readiness assessment will be offered online and can be taken from anywhere under no particular testing conditions. Currently, adult education providers administer the Official Practice Test under the same circumstances the tester will encounter at the testing center. Testers show proof of identity before taking the practice test and receive certification paperwork that allows the testing center to know they are indeed ready. This system allows a double verification of identity. Under the new system who is to say that John Smith, Ph.D., is not signing on and taking Hank Snow's readiness test for him?

I have heard the argument that it doesn't matter since Hank will most likely fail the actual test. It does matter because Hank can then take and pay for the GED as many times as he wants without any knowledge of or intervention from the adult education provider. He may not be counseled to come to the learning centers before trying again. Many people will try to pass the test until they run out of money and then give up. In addition, currently a part of tester's certification testing experience includes encouragement to enroll in Postsecondary Education. This is lost if they take the pre-test on the internet. Kentucky's educational crises is too important to allow these loopholes.

I realize that Pearson feels strongly that this is the best way. It must be remembered that they are a business and that this arrangement sets up many additional "sales". We must do what is best for Kentucky. We have the legal right and the moral responsibility to decide the criteria for issuing a high school equivalent diploma in

our own state.

(b) CPE response: Kentucky Adult Education (KYAE) encourages prospective GED examinees to contact their local adult education provider for free instructional services so that they may receive any necessary preparation and take the readiness exam for free. KYAE funds adult education programs in every county with the expectation students will be recruited for academic services to achieve the desired results of increased GED attainment and transition to postsecondary education. In addition, KYAE has taken measures to ensure that each individual who takes the GED® exam receives information about his or her local adult education provider. When an individual registers to take the Official GED® test, the registration system provides the following information about Kentucky's adult education programs:

- A link to all Kentucky Adult Education programs and that the readiness test can be taken at those locations.
- Asks those registering if their name, address and pass status can be provided to the Kentucky Adult Education program in their county of residence.

However, while the regulation does not specify where the test readiness exam shall be taken, Ms. Brown is correct that it is indeed offered online. While KYAE prefers and encourages students to contact their local adult education provider for services, it also understands that some students may find taking the readiness exam online to be a better personal fit. This option can only increase access for students seeking their GED®, particularly ones that might be discouraged from returning to a more traditional educational setting. In regards to the potential for dishonesty in test-taking, it seems unlikely that a student would set themselves up for failure on the

actual GED® exam by cheating on the readiness exam. But if they do, when they register for the exam they will receive the information about their local adult education provider as described above and hopefully allow their local adult education provider to receive their contact information so that they may be contacted directly.

(2) Subject Matter: Test Readiness Certification

(a) Commentator: Joyce Griffith

Comment: I just wanted to express my concern that there is not a stronger connection to Kentucky's adult education programs. Our programs are high quality and free. Requiring the student to come to us to take the Ready Test would help all of us better serve the student.

(b) CPE Response: Please see the response to Comment (1). In addition, the test readiness requirement is not instituted simply to afford adult education providers a mechanism to recruit potential students. If a student can certify test-ready by taking the same readiness test online, KYAE sees no reason why it would deny a Kentucky citizen that access. In fact, Kentucky is only one of thirteen states that require students certify test ready before taking the GED® exam.

IV. Summary Action Taken By Promulgating Agency

The public hearing on this administrative regulation was canceled; however, two written comments were received. The Council on Postsecondary Education responded to the comments and will not be amending the administrative regulation.

Annual Assessment: Equal Opportunity Goals Degree Program Eligibility - 13 KAR 2:060

ACTION: The Committee on Equal Opportunities recommends that the Council allow each public postsecondary institution to maintain its 2013 new degree program eligibility status for 2014, and direct the next evaluation of equal opportunity goals, as required by KRS 164.020(19) and implemented through 13 KAR 2:060, to be conducted for calendar year 2015.

At the October 21, 2013, meeting, the Council's Committee on Equal Opportunities (CEO) voted to recommend that the Council on Postsecondary Education allow each public postsecondary institution to maintain its 2013 new degree program eligibility status for 2014. The basis for the recommendation is that a year is needed for Council and institutional staff to allow clarification/application of the new definitions established by the federal government, under IPEDS (Integrated Postsecondary Education Data System). Furthermore, Council staff will determine how the established definitions will impact the assessment of institutional workforce diversity goals.

In the 1992 Regular Session, the General Assembly enacted KRS 164.020(19) which requires the Council on Postsecondary Education to postpone the approval of new academic programs for those institutions who fail to meet equal opportunity goals (established by an institution and adopted by the Council) and requires that the Council provide an opportunity for those institutions to obtain a temporary waiver if they have made substantial progress toward meeting these goals. This process is established in a regulation adopted by the Council, 13 KAR 2:060.

13 KAR 2:060

The Kentucky Administrative Regulation (KAR) provides accountability standards and metrics to assess progress towards equal opportunity goals in order for institutions to be eligible to offer new academic programs, and the requirements for an institution to obtain a waiver if progress towards a sufficient number of these goals is not made. Following is a brief summary:

- An institution must develop and maintain an institution diversity plan.
- The KAR defines the process for goal setting, assessment of progress, and securing a temporary waiver.

- The KAR defines an institution diversity plan as a plan developed by an institution in conjunction with the CPE to achieve diversity in student enrollment and in the workforce and to eliminate gaps in retention and graduation rates.
- The KAR requires four areas of goal development: student body diversity, student success/achievement gaps, workforce diversity, and campus climate. Each university will be assessed on eight areas of interest:
 1. Enrollment of undergraduate students;
 2. Enrollment of graduate students;
 3. First year to second year retention;
 4. Second year to third year retention;
 5. Baccalaureate degrees;
 6. Employment of executive/administrative/managerial staff;
 7. Employment of faculty; and
 8. Employment of other professionals.
- Each community and technical college will be assessed on six areas of interest:
 1. Enrollment of undergraduate students;
 2. First year to second year retention;
 3. Associate degrees and credentials;
 4. Employment of executive/administrative/managerial staff;
 5. Employment of faculty; and
 6. Employment of other professionals.
- The KAR provides a process for institutions to obtain a temporary waiver to offer new academic programs if they are not automatically eligible as a result of making continuous progress in a sufficient number of the areas set forth above.
- The KAR defines the period of waiver eligibility as one year.

The KAR link: <http://www.lrc.ky.gov/kar/013/002/060.htm>.

The process outlined in 13 KAR 2:060, scheduled to be conducted annually, would be postponed for one year for the reasons described above. Staff will inform the Committee on Equal Opportunities and institutions of the status of the recommendation immediately following action by the Council.

Staff preparation by Rana Johnson

Committee on Equal Opportunities Report

The Committee on Equal Opportunities met Monday, October 21, 2013, in Frankfort, Kentucky. Following is the status of initiatives, recurring activities, and discussions related to the Committee on Equal Opportunities.

2014 Meeting Schedule: The CEO meeting dates for 2014 are January 28, March 24, May 19, and October 20.

Governor’s Minority Student College Preparation Program: The CEO received a status report indicating that the program currently serves 981 middle and junior high school students: 829 students, from 65 schools, enrolled in the six university programs, while 152 students, from 31 schools, enrolled in the KCTCS programs. The GMSCPP promotes access and opportunity through academic enrichment programs and hands-on experiments focused on STEM. The program introduces students to the institutional campus, administrators, faculty, staff, and a diverse makeup of college students. Seven institutions offered year-round programs; all universities offer a summer component. Four of the programs were residential—students remained on campus one week in the summer to acquire a “real-life college experience.” A total of five programs were held in the summer only.

The 2014 GMSCPP Statewide Conference will be hosted by Eastern Kentucky University. Conference planning is underway.

Academically Proficient High School Jr/Sr Diversity Conference: The 2014 Academically Proficient High School Jr/Sr Diversity Conference will be hosted by Murray State University, June 13-14, 2014, in Murray, Kentucky. Approximately 250 students and parents are expected to participate. Conference planning is underway.

SREB Doctoral Scholars Program: The 2013 SREB Doctoral Scholars Institute on Teaching and Mentoring was held October 31-November 3, 2013, in Arlington, Virginia. Each of the Kentucky public postsecondary institutions participated in the 2013 Institute on Teaching and Mentoring Recruitment Fair. The recruitment fair assists institutions with increasing the number of diverse faculty members employed at Kentucky institutions.

As of October 2013:

- Kentucky has served 117 scholars, 30 students are currently matriculating (32 percent of these students are in the STEM-H areas).
- There are 72 graduates. Eight graduates have earned tenure.
- A total of 25 graduates are employed in Kentucky (15 are graduates of UK and UofL).

Lumina Latino Student Success Annual Meeting: The Kentucky Latino Education Alliance (K'LEA) Core Team members attended the Lumina Latino Student Success Annual Meeting, August 5-7, 2013, in Washington, D.C. The 2013 annual meeting enabled teams from all 13 sites time to work together, network with fellow sites and national partners, and meet leaders from national organizations.

The Latino Leadership and College Experience Camp, under the leadership of Ms. Erin Howard, was recognized as an example of Excelencia, in Washington, DC, October 1, 2013.

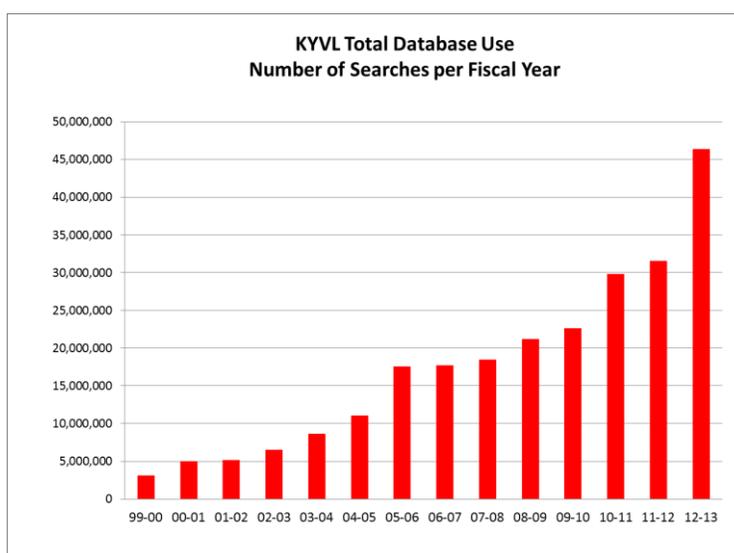
The final K'LEA meeting will be held December 13, 2013, in Midway, KY.

Staff preparation by Rana Johnson

For the Greater Good: How KYVL Strives to Serve Kentucky

Demand for the electronic materials made available through the Kentucky Virtual Library continues to grow as seen in the graph to the right.

The Kentucky Virtual Library provides leadership to the library community of the Commonwealth through sharing financial and human resources, best practices in service and resource sharing, and coordinating statewide, P20 delivery of digital content to serve education, workforce, and the citizenry. KYVL successfully brings together colleges and universities, schools, and public libraries to lower costs and improve efficiencies through joint purchasing of services and acquisitions of content.



Since 1999, KYVL's value increases each year due to the growing demand for all types (articles, course content, photographs, audio, and video) of digital resources by all levels of education, businesses and citizens. KYVL is available to all Kentuckians and regularly serves over 1.8 million people from the 1,500 designated locations of its 300 cost-sharing member organizations. Through its economies of scale, KYVL is highly cost efficient and effective, and it ensures equity of access for all to its valuable resources.

KYVL has completed its 2010-13 Strategic Plan and will soon announce the 2013-16 plan. As part of the planning process, KYVL's 15th anniversary celebration will be included in the fall 2014 calendar. The KYVL Leadership Team and Alliance, representing all of KYVL's constituent groups, provides invaluable direction and expertise as they review feedback from stakeholders and complete the analysis necessary to define the Kentucky Virtual Library's strategic direction.

The Kentucky Learning Depot, the P-20 OER (open education resources) collaborative now part of KYVL, gives a framework for educators to find, share, and repurpose digital learning content to improve their course and classroom. KDE, KCTCS, and CPE share a multi-year agreement with the National Repository of Online Courses to meet objectives of cost savings,

sharing quality content, and maximizing resources. The repository generates efficiencies in course development by allowing educators to create resources once and reuse and share them many times. The “open access” community (and research funders) endorses more open and unrestricted access to content in ways that make that public-funded content accessible to citizens and other scholars. Creative Commons, Learning Registry, Connexions, and OpenCourseware Consortium are just a few of the organizations behind beneficial and transformative changes in digital content sharing.

KYVL benefits reach all corners of the Commonwealth as evidenced in the annual and cumulative statistics generated by its programs.

Since 1999:

- 111 million+ searches by public postsecondary users in KYVL-sponsored databases, such as articles, citations, maps, and other digital content.
- 39 percent of total searches of KYVL-licensed resources came from public postsecondary members.
- 244 million+ total searches by all KYVL members in the article, citation and content databases.
- \$7.5 million saved in shipping costs by participating universities, colleges and public libraries.
- 1.9 million items transported, such as lab kits, multimedia, and book discussion kits, by KYVL’s Courier Service with dedicated delivery to 445 stops at 187 locations including the state university libraries, KCTCS, the state library, and some AIKCU institutions.

In Fiscal Year 2012-13:

- 46.4 million searches of article, index, and abstract databases for P20 users in FY 2012-13.
- 11 million downloads of full text covering a broad spectrum of disciplines and interests. 1.4 million digital artifacts in the Kentucky Digital Library preserving community and cultural memory.
- 80,000 eTextbooks, course modules and learning objects available via the Kentucky Learning Depot.
- \$15 million saved in library management system costs by all of the state university libraries, KCTCS, Kentucky Department for Library and Archives, Kentucky History Center, and seven other affiliate libraries.

Staff preparation by Allen Lind and Enid Wohlstein

Tuition Setting Process

Attached for review and discussion is the Council's current Tuition and Mandatory Fee Policy used to guide the tuition-setting process last year. It contains five fundamental policy objectives: (1) funding adequacy; (2) shared benefits and responsibility; (3) affordability and access; (4) attracting and importing talent; and (5) effective use of resources.

Chair Miller will appoint a Tuition Review Committee to review the current policy, develop a tuition setting timeline, and make recommendations regarding tuition and mandatory fee ceilings to the full Council. The committee will work closely with Council president Bob King, Council staff and institutional representatives throughout this process.

It is anticipated that Council members will review the tuition policy and timeline documents at the February 14, 2014, meeting and take action on recommended tuition ceilings in April.

Staff preparation by Bill Payne and Scott Boelscher

Council on Postsecondary Education Tuition & Mandatory Fee Policy

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced in the context of current needs, effective use of resources, and economic conditions. For the purposes of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Strategic Agenda for Kentucky Postsecondary and Adult Education.

Fundamental Objectives

- Funding Adequacy

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of the state and federal government, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low and moderate income backgrounds. The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access

should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance, including tuition and mandatory fees, room and board, books, and other direct and indirect costs, with students' ability to pay by taking into account (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- Attracting and Importing Talent to Kentucky

It is unlikely that Kentucky can reach its 2020 postsecondary education attainment goals by focusing on Kentucky residents alone. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities. In fact, according to the Council's 2007 Brain Gain report, four out of every ten (37 percent) out-of-state graduates were still in Kentucky five years after receiving their degrees.

The Council and the institutions are committed to making Kentucky's institutions financially attractive to nonresident students while recognizing that nonresident, undergraduate students should pay a significantly larger proportion of the full cost of their education. Any proposed policy on nonresident tuition and mandatory fees should also be evaluated based on its potential impact on attracting and retaining students which directly enhance diversity and Kentucky's ability to compete in a global economy.

- Effective Use of Resources

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. The Council's performance metrics shall be used to monitor both statewide and institutional performance toward HB 1 and Strategic Agenda goals.

The institutions also recognize their responsibility to demonstrate that they are good stewards of limited public resources by providing annual reports to their governing boards and the Council on their efforts to contain costs, improve efficiencies and productivity, and reallocate existing resources to high priority activities.

Special Use Fees Exception Policy

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fees Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption, such student endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for the institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

A student endorsed fee is a mandatory flat-rate fee that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance, replacement of furniture and equipment, and property and facility planning and management.

Eligibility Criteria

A student endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.
- For purposes of this policy, voted on means attaining:
 - a. A simple majority vote via campus wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
 - b. A three-quarters vote of elected student government representatives; or
 - c. A simple majority vote via campus wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.
- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, which support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.
- In any given year, the impact of a student endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.
- Requests for student endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee which qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in

the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

Exemption Process

Requests for an exemption under this policy will be evaluated on a case by case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

15 to Finish Campaign

Council staff is coordinating a statewide communications and marketing campaign to promote on-time graduation. Called 15 to Finish, the campaign will kick-off Wednesday, January 8, 2014, at a press event scheduled at 11:30 a.m. ET in the Capitol Rotunda. The purpose of the campaign is to encourage students to complete 15 credit hours per semester, or 30 credits per year. Most two-year programs require 60 credit hours and most four-year degrees require 120 credits so part of this effort involves changing the longstanding perception that taking 12 credit hours a semester is enough to graduate on time.

In addition to students, the campaign will inform parents and families, high school teachers, guidance counselors, as well as campus advisors of the benefits of 15 credits a semester, including:

- Increasing the likelihood of graduation;
- Improving opportunity (get a job earlier, earn income sooner);
- Lowering costs for students (pay less tuition overall for a college degree and incur less debt); and
- Lowering cost to the state and taxpayers.

The campaign has been endorsed by the state's Chief Academic Officers and will be coordinated by Council staff. It will consist of public service TV and radio ads through the Kentucky Broadcasters Association, in partnership with GEAR UP Kentucky's KnowHow2GoKY campaign. Other outreach efforts also are being planned, including a website, social media, and campus campaigns with direct messaging to students. All public campuses are participating, and the effort will be promoted by the Association of Independent Kentucky Colleges and Universities, Kentucky Chamber of Commerce, Kentucky Department of Education, and Kentucky Higher Education Assistance Authority.

Staff preparation by Lee Nimocks and Sue Patrick

2011-12 Accountability Report

The Council submits an annual Accountability Report to the Office of the Governor and the Legislative Research Commission as directed by KRS 164.020(3). The purpose of the report is to inform policymakers and the public of the system-wide progress made in advancing the goals of “Stronger by Degrees: A Strategic Agenda for Kentucky Postsecondary and Adult Education” and the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1).

The Council tracks progress on 26 metrics in the areas of college readiness; student success; research, economic, and community development; and efficiency and innovation. Each metric is assigned an arrow that indicates if the state is on track to meet its 2014 target, is making some progress, is holding steady, or is losing ground. A star indicates that the target has been reached ahead of schedule.

The report is currently being finalized and will be distributed at the November meeting. Highlights include:

- Kentucky made strong gains in the area of college readiness, but the college-going rate and GED attainment declined.
- Degree production and graduation rates increased at all levels, but there are still significant graduation rate gaps for underprepared, low-income, and underrepresented minority students.
- Kentucky continues to lose ground on metrics related to adequate funding and affordability.
- The system has exceeded its 2014 targets in the areas of transfer, graduate degrees conferred, and degrees and credentials awarded in STEM+H fields. Council staff will work with the institutions to set new targets for these metrics.

Staff preparation by Melissa Young

Committee Appointments

Chair Miller will appoint a nominating committee at the November 7 meeting. The committee will present nominations for Council chair and vice chair at the February 14, 2014, meeting. The appointments will be one-year terms, from February 14, 2014, to January 31, 2015.

Members of the Council's Executive Committee will be appointed by the new chair at the February 14, 2014, meeting. This committee consists of the chair, vice chair, and three other members who serve one-year terms.



Officials from KDE, K-12 partner schools, and AIKCU institutions participate on a panel during AIKCU's recent College and Career Readiness Workshop

College and Career Readiness Workshop focuses on private colleges' roles in implementing 2009 Kentucky Senate Bill 1

About 60 people, representing every AIKCU member teacher preparation program as well as AIKCU partners in state education agencies and public schools, converged at the NKU METS Center on September 26 for AIKCU's College and Career Readiness Workshop: *Moving Forward Together—College and Career Readiness and Next Generation Learning at AIKCU Institutions*.

The workshop explored AIKCU members' role in implementing the 2009 Senate Bill 1 education reform bill, now referred to as Unbridled Learning, and how teacher preparation programs and schools have evolved and worked together to move Kentucky forward. The workshop and many of the activities reported on during the workshop were made possible by a grant to AIKCU from the Council on Postsecondary Education.

The workshop featured keynotes by Gene Wilhoit, director of the National Center for Innovation in Education and former Executive Director of the Council of Chief State School Officers, and Virginia B. Edwards, Editor-in-Chief of *Education Week*. See photos and videos from the workshop at <http://www.aikcu.org/2013/10/04/photos-and-video-sept-26-aikcu-college-and-career-readiness-workshop/>



News from the Association of Independent Kentucky Colleges & Universities November 2013

AIKCU alumni and friends celebrate Private College Appreciation Day

Governor Beshear proclaimed October 22 Private College Appreciation Day in Kentucky, and a good number of alumni and friends of Kentucky's nonprofit private colleges and universities turned out at the AIKCU office in Frankfort to celebrate. Five AIKCU presidents and staff from nearly every member institution were on hand to chat with alumni,



friends, legislators and friends of Kentucky's private colleges. See photos and social mentions from the day at <http://www.aikcu.org/2013/10/29/a-private-college-appreciation-day-wrap-up-in-photos-and-social-media/>

Berea College's Dreama Gentry honored as one of Kentucky's outstanding alumni

Dreama Gentry, director of the Partners for Education program at **Berea College**, was awarded the prestigious Oak Award from the Council on Postsecondary Education on September 13. Congratulations to Dreama on this recognition of her work on behalf of low-income and rural Kentucky students and families. Read more:

<http://bcnow.berea.edu/2013/09/gentry-honored-governors-conference-postsecondary-education-trusteeship/>



Kentucky Wesleyan College gets \$450,000 grant from James Graham Brown Foundation to address "sophomore slump"

Kentucky Wesleyan College has been awarded a \$450,000 grant from Louisville's James Graham Brown Foundation to address retention issues affecting sophomore students, commonly known as the "Sophomore Slump." The KWC program will focus on all sophomores, but especially on first-generation and low-income students, and will provide the academic, social and financial support needed to move students through the sophomore transition to a successful outcome – graduation.

EKU Report

Eastern Kentucky University News for the Council on Postsecondary Education

November 2013



Good Morning Eastern

More than 300 Eastern students converged on Memorial Plaza well before daybreak on Friday, Sept. 13, awaiting their turn in the national spotlight. As part of its ongoing series on the alma maters of the program's anchors, "Good Morning America" profiled 1983 Eastern graduate Sam Champion. The popular ABC-TV show, seen by approximately 5 million viewers in a typical week, featured the EKU Marching Colonels, cheerleaders, dance team, the Colonel, communication students and others as it profiled and honored its weather anchor.

EKU Moves toward Tobacco-Free Campus

A task force has been established at EKU to finalize a tobacco-free policy on campus, to take effect June 1, 2014, and develop implementation strategies that assist the University community with the transition.

Since 2006, the University has prohibited smoking in buildings and restricted it to designated locations on campus. EKU President Michael Benson said it is anticipated that the new tobacco-free policy will not only prohibit the use of tobacco products in and around buildings, but also eliminate its use throughout campus, including all outdoor areas.

"We have an opportunity to improve the health of everyone who steps on our campus," Benson said in a video and letter posted on the University's home page. "Second-hand smoke exposure causes nearly 50,000 deaths each year among adults in the United States, and it is also linked to numerous health issues – including heart disease and lung cancer. Tobacco use is the leading cause of avoidable death in the United States, contributing to 443,000 deaths each year.

"These statistics," Benson continued, "demonstrate the need to make improvements. We care about the health and well-being of all our students and employees, and we want to provide everyone with a chance to attend school and work in a safe and healthy environment. The truth is there is no safe level of exposure to tobacco products."

Benson said the tobacco-free policy enjoys "the support of the great majority of our faculty, staff, students and governing board, and is supported by the results of the April 2012 tobacco-free campus survey. It is our responsibility as educators, role models and concerned members of our campus community to do the greatest good."

EKU Receives NSF Grant to Construct Research Center at Lilley Cornett

It will soon be easier to conduct sustained, high-level research at EKU's Lilley Cornett Woods.

The National Science Foundation (NSF) has awarded Eastern a \$300,000 grant for construction of a research center on the site of the 554-acre old-growth forest in Letcher County near the Kentucky-Virginia border.

The 2,200-square-foot facility, construction of which may begin as soon as Spring 2014, "will serve as a central research hub and allow EKU and visiting scientists and students to broaden the scope of research onsite and in the region. It will also allow the University to strengthen its research training, research-informed teaching, and outreach capabilities," said Dr. Stephen Richter, who is project director and an associate professor of biological sciences as well as the associate director of the Division of Natural Areas at Eastern. "It will greatly enhance understanding of this old-growth ecosystem and surrounding altered ecosystems."

Dr. Jerry Pogatshnik, associate vice president for research and dean of The Graduate School at EKU, said it is "extremely unusual" for the NSF to fund new construction projects. "It's a highly competitive, peer-reviewed process, and it points out how this project is viewed nationally in terms of its merit. I'm very proud to have been part of the process," one that involved stakeholders from various academic disciplines at EKU and from throughout the region.

Calling Lilley Cornett Woods (LCW) a "unique treasure" for EKU, Pogatshnik said the research center will help "quality faculty engaged in quality research make a lasting impact on the disciplines involved and the region we serve."

Project co-director Dr. Melinda Wilder, director of the EKU Division of Natural Areas, which manages LCW, called the addition of a research center "a perfect example of regional stewardship."

EKU Aviation Program Earns FAA Authorization to Designate Graduates as 1000-Hour ATP Candidates

EKU's Aviation Program is flying even higher today, recently becoming one of the first universities nationally authorized by the Federal Aviation Administration to designate graduates as candidates for the 1,000-hour restricted Airline Transport Pilot (ATP) certificate.

"The impact on EKU aviation students is a savings in cost and time, equal to 500 flight hours, when compared to non-EKU pilots working toward their 1,500-hour ATP and an airline career," said Ralph Gibbs, director of EKU's Aviation Program, the only university-based aviation program in Kentucky.

In response to the Colgan Air crash in Buffalo in 2009 and a subsequent congressional mandate, the FAA now requires that all Part 121 air carrier pilots possess an ATP certificate. No longer will a pilot with only a 250-hour commercial certificate be able fly "right-seat" for regional or major carriers.

Because the change, however, triggered concerns about a pilot shortage, the FAA created three restricted-ATP tiers. All former military-trained pilots can apply for their ATP at 750 total hours; all university professional flight graduates with at least 60 aviation semester hours can apply at 1,000 total hours; and students with an associate or bachelor's degree and 30-plus aviation hours can apply at 1,250. An additional requirement is that prospective restricted ATP candidates must have earned both their commercial certificate and instrument rating at a part 141 flight school, while all other pilots with a commercial certificate must wait until they reach 1,500 total hours. In all three cases, ATP candidates must have received 50 hours of multi-engine training.

In anticipation of the changes, EKU began in 2011 to revamp its Aviation Program in order to meet the more restrictive requirements. The University modified its professional flight curriculum to include 100 multi-engine hours (20 private and 80 commercial) compared to the 15-50 hours available at other U.S. universities and community colleges. That's in addition to 50 single-engine private pilot hours, 50 single-engine instrument hours and 50 AATD flight simulation hours.

Gibbs said EKU is now the only university-based aviation program in the U.S. to offer the 1,000-hour path and 100 hours of multi-engine time.

Only two other universities applied for the shorter pathway, Gibbs said, citing programs at the University of North Dakota and Embry-Riddle. "EKU is now on the same national stage as those programs, and they're not offering the 100 hours of multi-engine flight time."



Remembering 9/11

On Sept. 11, EKU honored the first responders who lost their lives in the aftermath of the terrorist attack on America on that date 12 years ago. Following a dedication program, attendees toured the newly created Memorial in the lobby of the Stratton Building. The Memorial contains a steel beam from one of the towers, a wall with the names of the men and women who lost their lives in the line of duty, photos of the attack of the World Trade Center along with the impact sites of United Airlines Flight 93 in Pennsylvania and at the Pentagon, and a mural of the flag-raising at the WTC. (Public Relations/Stephanie Cole)

Grant to Prepare Grads to Work with Special-Needs Youth

Two academic programs at EKU are participating in a federally funded project designed to enhance a variety of services for special-needs children in early intervention and school programs in rural areas.

A five-year, \$1.2 million grant from the U.S. Department of Education has enabled EKU and the University of Kentucky to jointly deliver PREPaRE (Preparing Related Services Personnel for Rural Employment). The program prepares graduate students in Eastern's Occupational Therapy Program, UK's Physical Therapy Program and Communication Disorders programs in both institutions.

Dr. Colleen Schneck, chair of EKU's Department of Occupational Therapy, serves as project director and Dr. Christine Myers, an associate professor in the department and coordinator of EKU's new doctoral program in occupational therapy, is a co-director of the project, which was one of only nine selected for funding out of 53 applications.

Graduate students accepted into the PREPaRE program receive an annual stipend of \$12,500 and benefit from an enhanced program of study, additional mentoring services (while enrolled and after graduation), opportunities for collaboration through case studies with early childhood personnel and teachers, and attendance at a state conference. In return, the students commit to work two years in an early intervention or school-based program with special needs children and are strongly encouraged to provide those services in a rural setting.

Throughout the five-year grant period, 70 students will participate – 35 each from EKU and UK. At Eastern, four Occupational Therapy students and three Communication Disorders students will join the program each year.

It is expected that the project will help alleviate a regional shortage of qualified professionals in the fields of occupational therapy, physical therapy and communication disorders, a need compounded by a high poverty rate in many parts of the region.

KCTCS GOOD NEWS REPORT

HIGHER EDUCATION BEGINS HERE

NOVEMBER 2013

AMT Program Awarded First Place for Excellence



Bluegrass Community and Technical College (BCTC) and Toyota Motor Manufacturing Kentucky's Advanced Manufacturing Technician (AMT) Program in Georgetown won first place for the Career Pathways Partnership Excellence Award. They were honored at the 2013 National Career Pathway Network (NCPN) Conference Member Luncheon on October 15 in San Antonio, Texas.

The AMT Program began in fall 2010. Its goal is to produce technicians for advanced manufacturing that are as capable as those from the best technical education programs in the world. This will ensure that U.S. manufacturing has a human talent stream that is better than our toughest global economic competitors. The AMT Program has three major phases: K-12 engagement and recruiting, a two-year college associate degree, and a one-to-two year internship. Those who successfully complete the program may continue directly into high paying jobs.



Toyota visits schools, promotes science, technology, engineering, and mathematics (STEM) programs, and arranges special tours to the manufacturing plant and campus for those in fifth grade, middle school, and high school.

The AMT Program has expanded to include 8-10 additional area manufacturers who are sponsoring students this fall. Toyota and other manufacturers visit more than 25 high schools each year to promote and recruit for the program. Sponsored students attend class full time two days a week and work at their respective sponsoring manufacturer three days a week.

ABOVE: The AMT Program trains students to be skilled technicians and manufacturing engineers for work in automobile manufacturing and technology. Problem solving is a central theme of the AMT experience and is taught using actual production equipment.

The National Career Pathways Network (NCPN) assists its education and business members in implementing, evaluating, and improving Career Pathways initiatives by providing a communication network. NCPN strives to compile and share information on exemplary practice, collaborate to develop implementation resources, and foster communication about Career Pathways and other workforce education programs. The Career Pathways Partnership Excellence Award, sponsored by Kuder, Inc., emphasizes the importance of career guidance and advising, professional development for educators and employers, and the employer role in providing work-based learning opportunities for students. Kuder, Inc.'s mission, to raise student aspirations and provide career options for students and adults through self-assessment and education, aligns with the purpose and qualifications of this award.

For more information about the AMT Program, visit the [AMT Program page](#). To find out more about the National Career Pathway Network, visit their website at <http://www.ncpn.info/>.





KENTUCKY STATE UNIVERSITY

KSU Holds Service And Retiree Recognition Program



Kentucky State University President Mary Evans Sias celebrates with the university's retirees.

Kentucky State University held its 2013 Employee and Retiree Service Recognition Program and Luncheon on Oct. 24 in Exum Center.

The program recognized more than 75 employees with a combined total of 1,066 years of service. More than 20 retirees were also honored with over 557 years of service.



Penelope McClain, administrative assistant in the College of Agriculture, Food Science and Sustainable Systems, celebrates 35 years with KSU President Mary Evans Sias and Dr. Teferi Tsegaye, dean of the college.

The honorees were faculty and staff members who have reached milestones of service in increments of five years through retirement. The awards honored 28 employees with five years of service, 15 employees with 10 years of service, 11 employees with 15 years of service, seven employees with 20 years of

service, 13 employees with 25 years of service, one employee with 30 years of service and two employees with 35 years of service.

“It is the faculty and staff who make the difference in the life of any university,” KSU President Mary Evans Sias said. “You are the heart and the soul of everything we do to provide for the next generation of leaders for this nation. Kentucky State has been built and has grown every year thanks to your dedicated service to the university.”

The honorees were each presented with a gift from their respective dean or vice president.



Sofball coach Oscar Downs celebrates 35 years with President Mary Evans Sias.

Community Introduced To Kentucky River Thorobred

Kentucky State University held a ribbon-cutting ceremony on Oct. 25 for the Kentucky River Thorobred, the university's new aquatic vessel that will serve as a laboratory for undergraduate and graduate research. The ceremony was part of the university's regular Board of Regents meeting.

"We're here for the ribbon cutting of the newest member of the Kentucky State University family," KSU President Mary Evans Sias said.



KSU President Mary Evans Sias

The boat will also be used to teach Kentucky's schoolchildren about the river's history and ecology. The construction of the Kentucky River Thorobred was funded by the U.S. Department of Agriculture's National Institute of Food and Agriculture.

Sias said it took three years for the project to come to fruition even after some said it could not be done. A \$1 million federal grant was used to renovate the exterior of the Old Federal Building, which is now called KSU's Downtown Annex. The



next phase will use \$2.2 million to create the Kentucky River Interpretive Center, which will include interactive stations that highlight various aspects of the river.

Regents and other guests had an opportunity to preview plans for the interpretive center, located inside the Downtown Annex.

"This is a monumental moment of pride for Frankfort's Riverfront Development and for me personally," said Joy Jeffries, executive director of the Frankfort/Franklin County Tourist and Convention Commission.

Frankfort Mayor William May also congratulated the university on the achievement and pledged his support of opportunities at KSU.

KSU Breaks Ground For Legacy Plaza

A groundbreaking ceremony for Kentucky State University's Dr. Henry E. Cheaney Legacy Plaza was held Oct. 11 at the flag plaza on campus.

Cheaney, a native of Henderson, Ky., was widely known in the region as a historian, author and civic leader. He began



teaching at the Kentucky State Industrial College for Colored Persons (now Kentucky State University) after earning his Bachelor of Arts degree in 1936.

Cheaney and his wife, Ora-Mae '35, who also taught at the university, remained engaged at their alma mater after retirement and often opened their home to former students.

Individuals can honor a legacy and pay tribute to Cheaney by purchasing bricks or plaques at the new plaza. The funds raised from the Cheaney Plaza project will support the construction of a new athletic complex.

Each brick measures 4" x 8" and can be engraved with the name of a relative or friend or a special message. The bricks will be embedded in the plaza's walkway, located across from the Carl M. Hill Student Center. Plaques will be displayed along the plaza wall. Each plaque measures 9" x 12".



Office of the President
202 Howell-McDowell Building
Morehead, KY 40351
Phone: 606-783-2022
president@moreheadstate.edu
www.moreheadstate.edu/president

Commissioner Comer announces MSU joins Kentucky Proud 'Farm to Campus' program

"The Farm to Campus program will help Morehead State University find more local foods to serve to its students and staff, expand the local food system, and enrich the experience of students in the University's agriculture program," Agriculture Commissioner James Comer said.

Commissioner Comer announced the launch of the Farm to Campus partnership of Kentucky Proud, MSU, and ARAMARK, the University's food service vendor, in a ceremony at the Derrickson Agricultural Complex.

"On behalf of the farmers in Kentucky and all the Kentucky Proud producers and vendors across the state, I want to thank you for your support of Kentucky farm families and Kentucky small businesses by supporting the Kentucky Proud program and using Kentucky Proud products all across your campus," said Commissioner Comer.



MSU President Wayne D. Andrews said the university farm has produced four steers, 200 pounds of processed shrimp, 250 pounds of tomatoes, 50 pounds of lettuce, and 75 quarts of blackberries and blueberries for the student body and university staff through ARAMARK.

"Morehead State University is proud to be a partner with ARAMARK and the Kentucky Proud program," said Dr. Andrews. "We encourage our farm students to dedicate some of their produce to use on the MSU campus. This enables our students to be a part of the whole process. We think this partnership can only help the whole MSU/Rowan County community."

MSU named military-friendly school

For the fifth straight year, MSU has been named a “Military Friendly School” by Victory Media, the premier media entity for military personnel transitioning into civilian life. This places MSU once again in the top 20 percent of colleges, universities and trade schools nationwide that are doing the most to embrace America’s veterans as students.

The common bond of these institutions is their shared priority of recruiting and retaining students with military experience.

“Inclusion on the 2014 list of Military Friendly Schools shows Morehead State University’s commitment to providing a supportive environment for military students,” said Sean Collins, vice president at Victory Media and a nine-year Navy veteran. “The need for education is growing and our mission is to provide the military community with transparent, world-class resources to assist in their search for schools.”



MSU top ranked college for 10th straight year

Morehead State University has been recognized for the 10th consecutive year as one of the top public universities in the South in the 2014 edition of “America’s Best Colleges” by *U.S. News & World Report*.

“We are very pleased to be recognized again this year as one of the outstanding regional public universities by this widely-popular college guide,” said MSU President Wayne D. Andrews. “We have experienced record enrollment this year. Our campus remains one of the safest in the region and we continue to improve the quality of life for our students.”

The newest rankings include MSU as 24th in the Top Public University-Master’s/South division.



President Andrews picked as Kentucky’s AASCU member

President Wayne D. Andrews has been appointed to serve as the state representative for Kentucky for the American Association of State Colleges and Universities. He will serve through 2014.

As a member of the council, he will help formulate and recommend the AASCU’s Public Policy Agenda.



MURRAY
STATE UNIVERSITY

\$1.3 million gift aids completion of Crisp Center campus in Paducah

Pepsi MidAmerica and the Harry Lee Crisp family recently made a \$1.3 million gift to support Murray State and its new regional campus in Paducah. Harry L. Crisp II and Pepsi MidAmerica have been longtime supporters of Murray State University. Harry L. Crisp II served 22 years on the Murray State University Foundation board of trustees, retiring from that position in April 2013. His son, Lee Crisp, president of Pepsi MidAmerica, joined the MSU Foundation board of trustees that same month. This \$1.3 million gift will allow for the completion of the new Crisp Center, support equipment and technology needs, and provide a scholarship endowment for students studying on the Murray State University Paducah Regional Campus.

Murray State receives U.S. President's Volunteer Service Award

Junior Achievement of West Kentucky presented a national award to Murray State University for volunteer service during the 2012-13 school year. MSU was awarded with the United States President's Volunteer Service Award, a national honor offered in recognition of volunteer service hours with JA in local and area schools. Established in 2003, the award is available on an annual basis to individuals, groups and families who have met or exceeded requirements for volunteer service and have demonstrated exemplary citizenship through volunteering. The award is issued by the President's Council on Service and Civic Participation, a group created by President Bush and continued through President Obama to recognize the valuable contributions volunteers are making to our nation.

MSU graduate wins award from Embassy of the Republic of Indonesia

Murray State University's own recent graduate, Isnain Evilina (Lina) Dewi, was awarded the 2013 Ambassador's Award for Excellence (AAFE) from the Embassy of the Republic of Indonesia on Aug. 17. The winners were announced at the Indonesian Embassy in Washington, D.C., with a flag ceremony to honor Indonesian's Independence Day. This award is given each year to Indonesian students who exemplify great academic and non-academic achievements. The theme of the program this year was "Promoting Academic Excellence of Indonesian Students" with a purpose to inspire Indonesian students to enhance and improve their achievements and make Indonesia known to the world. Lina graduated with a M.A. in Teaching English to Speakers of Other Languages program at MSU.

Yarali keynote speaker at IARIA conference in France



Dr. Abdulrahman Yarali, associate professor in the Telecommunications Systems Management (TSM) program at Murray State University, recently took part in the Ninth International Conference on Wireless and Mobile

Communications in Nice, France. The conference was hosted by the International Academy, Research and Industry Association (IARIA). Yarali traveled to France to serve as a keynote speaker, panel moderator and conference attendee. He presented information to conference participants on "Wireless Communications Technologies and Research Trends: LTE-A and Beyond" and was a moderator for panelists from Finland, the United States, New Zealand and France. IARIA is a not-for-profit non-government organization focused on advancing technologies, tomorrow's products and inventions, and promoting them through various events and publications.

MSU professor chairs national conference on teaching and technology

Dr. J. Ricky Cox, professor of chemistry and the Anna S. Brown and Ruth B. Logan endowed chair in pre-medicine, served as the chair of the Teaching Professor Technology conference in Atlanta, Ga.. The conference centered on informing teachers about the technologies that change the way teachers teach and students learn. It also educated teachers on how to use these technologies to effectively teach in their courses and on their campus. The three-day conference brought together interdisciplinary group of faculty, educational technology leaders and other educational professionals interested in learning more about how technology is changing the learning environment.

MSU assistant professor receives Research Enhancement Grant

The Kentucky EPSCoR program, supported by the National Science Foundation, has selected Dr. Lloyd P. Horne, assistant professor in the department of chemistry, as a recipient of a Research Enhancement Grant (REG). Horne joined the faculty at Murray State University just over a year ago. His REG award, the first of several in the commonwealth, provides funding to Horne's research group and their work on "compositional studies of electrocatalytic metal oxide nanoparticles." The goals for the project are to provide a quantitative description of nanoparticle composition, achieve some control over particle size and dispersity, and investigate particle surface chemistry.

MSU student journalist serving as USA TODAY college correspondent

Lexy Gross, editor-in-chief of *The Murray State News* and thenews.org, has been selected one of 17 college correspondents for Gannett's *USA TODAY* College. Gross is a junior from Paducah, Ky., majoring in journalism and minoring in political science. This summer she interned at *The Tennessean*, a Gannett newspaper in Nashville. While there, she had 36 articles published in the daily newspaper, six of which were picked up *USA TODAY*'s website, usatoday.com. Other college correspondents are from Brown University, Cornell University, Penn State, University of Missouri-Columbia, Northwestern University, Wheaton College, New York University, Fordham University, Emory University and University of Florida.

Dr. Marjorie Hilton receives Mellon Foundation grant

Dr. Marjorie Hilton was recognized by the Andrew W. Mellon Foundation for her book, *Selling to the Masses: Retailing in Russia, 1880-1930*, which was published earlier this year. The book centers on the cities of Moscow and Odessa and three main themes — the connection between state power and the retail sector, the relationship between city and retailing, and cultural transformation. Hilton will be promoting her book in selected universities in the United States and Europe using the funds she received from her grant.

Brown receives endowed professorship

Dr. Cory Brown, assistant professor in the department of early childhood and elementary education at Murray State University, has been selected to receive the Ashland Inc. Endowed Professorship in the College of Education. The Ashland Inc. Endowed Professorship was established at Murray State University in 1999 by Ashland Oil Inc. along with matching funds from the state of Kentucky for the purpose of establishing partnerships with public elementary, middle and/or high schools to enhance teacher training quality. Brown is a graduate of Eastern Michigan University with a bachelor's degree in English and secondary education. He earned a master's degree in curriculum and instruction with an area of concentration in multicultural education from the University of Cincinnati. Brown holds a doctorate of philosophy from The Ohio State University in multicultural and equity studies in education. His research and writing focuses on multicultural influences on education and the development of collaborations between university and school districts to enhance student learning.

University Libraries selected to participate in national program

MSU University Libraries has been selected as one of 75 colleges to participate in "Assessment In Action: Academic Libraries and Student Success." Libraries who participate in the AiA program will lead their campus teams in the development and implementation of an action learning project examining the impact of the library on student success and contributing to assessment on their campus. The four-member team will take part in a 14-month professional development curriculum. Murray State University will solely represent the state of Kentucky during the 2013-2014 school year.



GOLD RUSH

NOV 2013

NORTHERN KENTUCKY UNIVERSITY



GO FIGURE



\$560,000

Investment Toyota has made in NKU's Next Generation STEM Classroom program, which works with elementary and middle school teachers to strengthen STEM education.

2,068

Total pounds of recycling collected at NKU in 24 hours as part of Campus Sustainability Day.

4

A-Sun Runner of the Week honors this season for junior J.J. Weber, a conference record. His five career honors ranks third all-time.



NKU AND GATEWAY PARTNER TO BOLSTER REGIONAL DEGREE ATTAINMENT

NKU and Gateway Community and Technical College have announced a partnership that will make earning a bachelor's degree in Northern Kentucky seamless, efficient and affordable. The program creates a series of degree pathways that begin with enrollment at Gateway and end with a bachelor's degree from NKU. It establishes a seamless transition between the institutions assisted by personally assigned advisors and features dual admission, providing access to all student activities and services at both institutions.

"We are excited about the possibilities of this partnership," said NKU President Geoffrey Mearns. "For our region to be competitive economically, we must work to ensure more of our citizens have the education and training to meet the need for skilled workers across a number of industries. This program will allow Gateway to produce more graduates who then earn an NKU bachelor's degree."

The program launched this spring with 25 distinct degree pathways; more are expected as the program grows. These pathways make it easier for both institutions to offer academic advising and support services tailored toward a student's educational and career goals. For example, students who know they want to earn a bachelor's degree in accounting at NKU will know they must earn an Associate in Science at Gateway first. This will assist them with course selection while at Gateway and ensure automatic transfer of Gateway credit hours to NKU.

Additional information is available at http://nku.edu/news/_131004gateway.html.

COLLEGE CORNER CHASE COLLEGE OF LAW

The NKU Chase College of Law, through the Law + Informatics Institute, has partnered to develop a new Internet privacy education program for middle school students in Northern Kentucky.

The program, piloted by Fordham Law School students in New York last spring, addresses the many privacy issues faced by teens as their use of technology skyrockets. Using the curriculum developed by Fordham, Chase student volunteers will teach the program in local middle schools next spring.

The program will also be taught in middle schools across the United States by law students from 14 other schools including Harvard, Yale, U.C. Berkeley, Princeton and Georgetown.

"The online environment is part of our lives beginning at a very early age," said Jon Garon, a professor at Chase and founding director of the Law + Informatics Institute. "As educators, we must help prepare students to make good choices when online and to fully understand the online environment. This program helps teachers, parents and their students manage the Internet and mobile devices."

Session topics include managing passwords and behavioral ads; navigating social media and tricky situations; understanding mobile, Wi-Fi and facial recognition; and managing a digital reputation.

To learn more about the program, see <http://law.fordham.edu/privacyeducators>.

NKU CELEBRATES OPENING OF UNIQUE NEW STUDENT SUCCESS CENTER



NKU opened its new Student Success Center this fall, the result of extensive internal and external research into best practices in student engagement, retention and degree completion. That research revealed that students often lack awareness of where to go for help and have difficulty navigating university advising and support units. The Student Success Center is an integration and co-location of more than a dozen student services, seeking to empower students and equip them for success at the university and beyond. It is based on two central concepts – centralized advising and one-stop student service.

The center provides seamless access to core resources on campus. Students who visit the center, which is located in the University Center, can receive services from a wide range of support offices such as academic advising; career services; first-year programs; health, counseling and student wellness; international education center; and a Veterans Resource Station. And those services aren't just co-located. They are collaborating in new ways designed to make it easier for students to get the information they need.

For more information, visit http://nku.edu/news/_130909ssc.html.



THE SCOREBOARD

In just its second season of Division I competition, the NKU men's soccer team has set a new standard of excellence. The Norse have compiled an impressive record of 7-3-6 at print time and sits atop the Atlantic Sun. Six ties is a new school record for the squad, which is 4-1-1 in conference play and unbeaten at home. Senior midfielder Brendan Murphy leads the squad with two goals – both game-winners – and four assists.

FACULTY FOCUS

Dr. Linda Wermeling, associate professor of social work at NKU, has been selected for a five-year appointment in the Fulbright Specialist Program. Fulbright Specialists are consultants with expertise in their academic discipline who collaborate on projects in diverse settings of higher education in a wide range of eligible disciplines and fields. The program promotes linkages between U.S. scholars and professionals and their counterparts at host institutions overseas. The program awards grants for short-term collaborative projects at institutions in over 140 countries. For several years Dr. Wermeling has been consulting with international social work scholars to strengthen social work education and the development of the profession.

BRIEFS

INFORMATICS TO ASSIST LUDLOW STUDENTS

Elementary students at Mary A. Goetz Elementary School in Ludlow are helping a Fort Mitchell-based pharmaceutical company address an issue it faces thanks to a generous grant from the Duke Energy Foundation. The students will evaluate the impact of a simple infection-control program (alcohol-based disinfectant versus non-alcohol-based) on the average daily attendance of students in K-12. Once completed, the NKU Center for Applied Informatics will help them create an Android app for the program.

READ MORE: http://nku.edu/news/_130924ludlow.html

NKU EARNS 'MILITARY FRIENDLY' ONCE AGAIN

NKU has been recognized by G.I. Jobs magazine as among America's most military-friendly schools for the fourth consecutive year. The 2014 Military Friendly School Guide ranks NKU among the top 15 percent of all colleges, universities and trade schools nationwide. NKU's Veterans Resource Station serves as a primary point of contact to serve all student veterans, military service members, dependents, ROTC cadets and family members. Trained student peer mentors provide information, referrals and support to help navigate college.

READ MORE: http://nku.edu/news/_130912military.html

NKU STUDENTS BRING HOME NATIONAL GRAPHIC ARTS AWARDS

NKU students Sarah Faulkner and Nayrb Wasylycia won awards at the 2013 American Institute of Graphic Arts (AIGA) Conference held in Minneapolis last month. The two visual communication design majors in the submitted entries for the (Re)Design Awards, which recognize designs that advocate strong communities, sustainable environments and thriving economies. They were among 34 award-winners overall and two of seven college students rewarded for their work.

READ MORE: <http://www.nku.edu/features/2013/october/aiga-awards.html>

NKU TO OFFER KENTUCKY'S FIRST FULLY ONLINE HISTORY DEGREE

NKU has announced the creation of an online major in history which will debut in fall 2014. The online history degree is the first offered in Kentucky and is one of the first fully accredited online history majors in the country. Faculty developed the program to offer a high-quality, flexible educational experience to meet the needs of post-traditional students who are unable to attend classes due to work or family obligations or because they live outside the region or country.

READ MORE: http://nku.edu/news/_130829history.html

ALUMNI NEWS



For the past 47 years, the Brighton Center has helped Northern Kentuckians face the bitter reality of whether a child will eat tonight or whether an elderly neighbor will stay warm through the winter. Located in Newport, the center has more than 30 programs designed to help facilitate a higher quality of life. The Brighton Center has worked with NKU on numerous community-based projects including the Mayerson Student Philanthropy Project and Project Hope. Just within the past year alone, the center helped serve an average of 205 moms, dads, kids, and neighbors per day.

As the integrative learning supervisor for Brighton's center for employment training, Amanda Peters ('06, '10) plays an essential role assisting parents, their children and the diverse array of community members who find themselves in need of Brighton's services.



UK HealthCare Named “Rising Star” Hospital by University HealthSystem Consortium

University HealthSystem Consortium (UHC), an alliance of the nation's leading nonprofit academic medical centers, has named UK HealthCare among the 2013 recipients of the Rising Star Award.

The award recognizes significant improvements in ranking in UHC's annual Quality and Accountability Study, which identifies exemplary performance in patient safety, mortality, clinical effectiveness, and equity of care.

UK HealthCare has not only shown improvement from previous years, it has the highest jump in rankings in UHC's history with a Quality and Accountability Ranking of 12th among the nation's 118 academic medical centers.

The Rising Star Award is a prestigious honor given to some of the country's most prestigious academic medical centers. For example, last year's recipients were the Cleveland Clinic, Duke University and The Medical University of South Carolina.

Record First-year Enrollment, Increases in Quality, Diversity at UK

Even as enrollment in colleges and universities is declining nationally, the University of Kentucky welcomed its largest ever first-year class - a class also marked by historic levels of students in terms of diversity and academic quality.

As importantly, preliminary data for this school year underscores UK's commitment to student success as retention rates increased across the board. At the graduate and professional levels, the number of degrees awarded has increased - a reflection that the University at the graduate level is becoming more selective and is also graduating students more quickly.

Highlights of UK's enrollment for fall 2013 include:

- 4,702 first-year students are enrolled this year, up from 4,647 in fall 2012, also a record. UK broke 19,000 applications for the first time this year, with 19,810, also a record number.
- Overall, UK has enrolled more than 29,000 students for the first time, with 29,410, up from 28,928 last year. Specifically, 21,523 students this fall are undergraduates, up from 20,878 last year. The rest are broken down between graduate and professional students and residents.
- About 70 percent of those first-year students are Kentucky residents and 30 percent are from outside of Kentucky, roughly the same as last year.
- UK enrolled 105 national Merit, National Achievement and National Hispanic Finalists in its first-year class this fall, up from 71 last year, which placed UK among the Top 15 public institutions in the country.
- 555 first-year African-American students are enrolled this fall - also a record number - up from a record 533 last year. African-American enrollment has increased steadily since 2008. Hispanic student numbers in the first-year class have hit 200 for the first time this fall, up from 167 last year. Those numbers, too, have increased each year since 2008.

Capilouto cited the growth in the Honors Program - which has increased from about 250 to some 400 students - and an ongoing expansion of Living and Learning Programs and Communities as the kinds of initiatives attracting interest in UK. UK has built the number of Living Learning Communities to 13 over the past 24 years and expects to grow that number to 19 by next fall.



Gatton College Reveals Building Design, Breaks Ground

The University of Kentucky's Gatton College of Business and Economics recently revealed the architectural plans and held a ceremonial groundbreaking for a major expansion and renovation of its facilities. UK President Eli Capilouto and Gatton College Dean David W. Blackwell were joined by Governor Steve Beshear, other state officials, major donors, faculty, staff and students in unveiling details of the \$65 million project.

The expansion and renovation of the Gatton College is part of UK's overall capital improvement plan (House Bill 7) approved earlier this year by the Kentucky General Assembly and signed into law by Gov. Beshear. No state tax dollars will be used in any of the UK construction projects, which include the Gatton project, a new science building on campus, and improvements to Commonwealth Stadium and UK's football facilities.

Capilouto expressed his gratitude to the college's benefactors who collectively have made more than \$45 million in pledges and contributions toward the ambitious undertaking. He also praised the work of Blackwell since the dean arrived on campus in March 2012.

The expansion and renovation plans call for a dramatic increase in space for educational offerings, as well as high-tech enhancements to classrooms and laboratories to accommodate enrollment growth at the undergraduate and graduate levels. Among the highlights which will be part of the facility:

- A new main entrance, with an atrium that will serve as the 'living room' of the building.
- A 500-seat auditorium designed for special events and large lectures.
- A new Behavioral Research Lab.
- A new Finance Learning Center which includes an advanced classroom with a simulated trading environment feeding real-time financial and market information.
- 20 new classrooms and more than 40 collaborative study or breakout rooms.

CAER Receives \$3 million for Carbon Capture Research

CAER is working to advance technology to capture carbon dioxide from new and existing coal-burning power plants, funded by a major grant from the U.S. Department of Energy. The National Energy Technology Laboratory, part of the DOE Office of Fossil Energy, has selected the UK Center for Applied Energy Research for the three-year, \$3 million project.

The announcement comes on the heels of regulations proposed Sept. 20 by the Environmental Protection Agency to sharply reduce carbon emissions from new power plants. This development presents serious challenges to the coal industry, which currently lacks cost-effective technology that would enable it to comply with the proposed lower limits.

The CAER project will advance the DOE's goal of having technology available by 2020 that can achieve a 90-percent carbon dioxide capture rate, at a cost of \$40 per metric ton of carbon dioxide captured.

UofL researchers receive millions to study, regulate tobacco effects



Aruni Bhatnagar, PhD

Sanjay Srivastava, PhD

UofL professor Sanjay Srivastava, Rose Marie Robinson of the American Heart Association, Diabetes and Obesity Center Director Aruni Bhatnagar and President James Ramsey look on as Executive Vice President for Health Affairs David Dunn announces UofL's role in overseeing \$23.3 million in tobacco-related research grants.

University of Louisville is using millions of dollars in newly awarded federal research grants to help develop how cigarette and tobacco products will be made and distributed, as well as identify which dangerous components found in tobacco are responsible for heart disease and determine how they could be regulated.

Professor Sanjay Srivastava, PhD, and Aruni Bhatnagar, PhD, are responsible for the oversight of \$23.3 million in total research funding, distributed through a joint National Institute of Health/Food and Drug Administration partnership.

Srivastava received \$3.7 million to research what components in tobacco products cause atherosclerosis, and how these contents could be regulated. Atherosclerosis, better known as hardening of the arteries, is considered the primary cause of cardiovascular disease and can often lead to heart attacks or strokes.

Bhatnagar, director of UofL's Diabetes and Obesity Center, was awarded another \$10.7 million to develop the American Heart Association's Tobacco Regulation and Addiction Center (A-TRAC) for multidisciplinary research. A-TRAC was created to shape the manufacture, distribution and marketing of tobacco products as they are regulated by the FDA. As A-TRAC director, he is also responsible for oversight of an additional \$8.9 million in funding granted to partnering institutions.

"These two grants bring together investigators from across the country to conduct research that will greatly increase the available knowledge on tobacco and its causative role in cardiovascular disease across the full spectrum of basic and applied research," President James Ramsey said. "The University of Louisville is both proud and well-positioned to help lead this effort."

Millions for Tobacco Research

Breakdown

\$10.7 million – Awarded to UofL researcher Aruni Bhatnagar, PhD, to develop how tobacco products are produced, distributed and marketed in compliance with FDA regulations

\$8.9 million – Awarded for oversight by Dr. Bhatnagar of additional A-TRAC funding to partnering institutions

\$3.7 million – Awarded to Sanjay Srivastava, PhD, to study the role tobacco products and byproducts play in the development of atherosclerosis (hardening of the arteries)

Total grants awarded – \$23.3 million

A Letter From the President

Dear Friends and Family of UofL,



Fall is an exciting time on campus. Football, volleyball and soccer seasons are in full swing and it's the time of year for my "Fall Outreach Tour" when I travel across Kentucky visiting with hundreds of high school students. During our fall outreach I drive from Pikeville to Paducah, encouraging all students to continue their education beyond high school while recruiting the very best students to come to the University of Louisville. It energizes all of us to speak with bright students and hear what they're saying about UofL. It spurs us to keep pushing toward our goals in the 2020 plan while helping us refine our message to Kentucky's future leaders. And what a message we've got to share!

We've enrolled the most academically prepared incoming class in our history (25.2 avg. ACT score) this semester. And just this month we've opened a brand new Student Recreation Center, proposed, pushed and paid for by students. We've cut the ribbon on the first new multi-tenant building in Louisville in more than a decade – The Nucleus building – bringing UofL researchers, innovative companies and financiers together in one, eight-story place. And our researchers are making news as well, garnering more than \$23 million in grants to study in part, heart disease – the number one killer in our country - with Kentucky posting a higher incidence rate than the national average. They will also use this funding to help shape how tobacco products should be made and marketed as they are regulated by the Food and Drug Administration.

We're also continuing to move forward with our 21st Century University initiative, listening to faculty, staff, students and community leaders about the best ways to move UofL forward in a challenging fiscal and a changing higher education environment.

So, yes, the fall is a busy time at the University of Louisville. But it's a time of great energy as we look to recruit the next group of top-notch students who will discover that it's a great time to be a Louisville Cardinal.

James Ramsey
President
University of Louisville

2013 Presidential Outreach Tour Underway

The 2013 Presidential Outreach Tour kicked off in August. Spanning three months and more than 1,400 miles traveled, the annual trek across the commonwealth gives President Ramsey and school officials the opportunity to meet with hundreds of prospective students, school administrators, alumni and local officials. The visits showcase the extraordinary achievements at UofL while explaining the importance of postsecondary education to high school students.

President Ramsey told the crowds at Highlands High School in Ft. Thomas, Ky, about UofL's incoming class - the most academically talented incoming class ever. In addition, seven more students won prestigious Fulbright Awards last year - bringing the total to 75 since 2003 - better than any other Kentucky college or university. The fall tour may be coming to a close, but UofL's outreach efforts are far from over. Future visits are already being planned, so stay tuned to find out when and where we bring UofL to you.

August 29 – Lebanon, KY

High-Ability Student Reception

October 7 – Fort Thomas, KY; Fort Mitchell, KY; Park Hills, KY; Covington, KY

High School Visits: Highlands High School; Beechwood High School; Notre Dame Academy
GSP/National Merit Luncheon
Presidential Reception

October 16 – Lewisport, KY; Morganfield, KY

High School Visits: Hancock High School; Union County High School

October 22 – Louisville, KY; Jeffersonville, IN

High School Visits: Christian Academy of Louisville; duPont Manual High School
High School Principals and Counselors Luncheon

October 28 – Pikeville, KY

High School Visit: Pike County Central High School
Student Outreach Reception

November 7 – Owensboro, KY

Visit to Owensboro Community & Technical College
OCTC Luncheon

November 10 – Murray, KY

High-Ability Student Reception

November 11 – Benton, KY; Paducah, KY

High School Visits: Marshall County High School; McCracken County High School



The 2013 Presidential Outreach Tour gives President Ramsey and school officials the chance to meet and recruit Kentucky's best and brightest high school students. Ramsey told students at Beechwood High School in Ft. Collins that UofL is committed to recruiting high-quality, not high-quantity, students in an effort to be the best.

OUTREACH BY THE NUMBERS

Miles traveled:
1,412

High Schools/Technical Colleges visited: **11**

Students met: **more than 1,700**

Outreach receptions/luncheons with alumni, high achieving students and school administrators: **6**

Students attending National Merit/Governor's Scholars luncheon with Dr. Ramsey: **110**

Nucleus: Open for business



Aging care companies, cancer researchers and new business accelerators are among the first tenants moving in to the Nucleus building. The 200,000 sq. ft., environmentally friendly building opened October 23rd with Governor Steve Beshear, Mayor Greg Fischer and other dignitaries joining President Ramsey and Nucleus CEO Vickie Yates Brown for the ribbon cutting. Nucleus is the first of four planned buildings in the downtown life sciences research and innovation park on the old Haymarket property. The goal of the park is to boost Louisville's economic development, lifelong wellness, and aging cluster by bringing researchers together with private companies to move new ideas to the marketplace.

Student Rec Center: The wait is over!



On Oct. 18, President Ramsey and school officials cut the ribbon for the new \$37.5 million Student Recreation Center, featuring an exercise and weight facility; six basketball courts; multi-activity court for indoor soccer and floor hockey; racquetball courts; aerobic studios; jogging track; fitness lab; classrooms and a gaming area.

Western Kentucky University news for the Council on Postsecondary Education, November 2013

For more WKU news, visit www.wku.edu/news.

WKU students win national awards

Paul Fleischmann, a WKU chemistry and biology major from Crestwood and a 2012 graduate of the Gatton Academy of Mathematics and Science in Kentucky, was one of 40 students nationwide awarded a U.S. Environmental Protection Agency Greater Research Opportunity Fellowship. The fellowship provides up to \$20,700 per academic year of support and \$8,600 of support for a three-month summer internship. See <http://wkunews.wordpress.com/2013/10/10/epa-fellowship/>

Sarah Schrader of Bowling Green and Bailey Mack of Louisville, students in WKU's Chinese Flagship Program, were among 100 college students across the United States to receive the 2013 Pearson Prize for Higher Education. The award includes a \$1,000 scholarship, guidance and opportunities from the Pearson Foundation and Pearson, a leader in education, and collaboration with past and current Prize Fellows, fostering community involvement and social entrepreneurship across the country. See <http://wkunews.wordpress.com/2013/09/20/osd-pearsonprize/>



Delegates at the Joint meeting of U.S. Confucius Institutes, hosted by WKU.

WKU hosts first Joint Meeting of U.S. Confucius Institutes

More than 260 delegates representing 91 universities along with representatives of Hanban, the Chinese Education Ministry, were in Bowling Green in September as WKU hosted the first Joint Meeting of U.S. Confucius Institutes. Highlighting the conference was the attendance of Madame Xu Lin, Director General of Hanban and Chief Executive of Confucius Headquarters.

WKU President Gary Ransdell said, "Our Confucius Institute is at the core of WKU's international reach. This Conference gave us the opportunity to highlight what we are doing while also learning from successful Confucius Institutes across our nation."

During the week, WKU's Confucius Institute opened three Confucius Institute classrooms in Simpson and Barren counties and in Bowling Green. A Confucius Classroom is an affiliate of a Confucius Institute and is a dedicated classroom within the community it serves, which is aimed at disseminating the Chinese language and culture.

Each Confucius Classroom has a specialized focus of the Chinese culture: Simpson County is calligraphy, Barren County is the Chinese Tea Ceremony, and the Housing Authority is Chinese Kung Fu.

See <http://wkunews.wordpress.com/2013/09/27/ci-meeting-2013/>



A groundbreaking ceremony for a Hyatt Place hotel was held on Sept. 17. The hotel will be located adjacent to WKU's Augenstein Alumni Center.

Hyatt Place hotel planned adjacent to Augenstein Alumni Center

Dellisart Wellspring LLC has started construction of a 108-room Hyatt Place hotel in downtown Bowling Green adjacent to WKU's Augenstein Alumni Center in the southern end of the Tax Increment Financing district. Meridian Design Build began construction of the four-story hotel this fall with a slated opening in fall of 2014. "The TIF development was intended not only to revitalize downtown Bowling Green but also to connect the WKU campus to downtown," WKU President Gary Ransdell said. "The addition of a Hyatt Place hotel next to the Augenstein Alumni Center is the cornerstone that will complete that gateway to downtown." See <http://wkunews.wordpress.com/2013/09/17/hyatt-tif/>

WKU honored for being military friendly, student named Military Youth of the Year

For the fifth consecutive year, WKU has been named to Military Friendly Schools® list by Victory Media, the premier media entity for military personnel transitioning into civilian life. The 2014 list honors the top 20 percent of colleges, universities and trade schools in the country that are doing the most to embrace America's military, veterans and spouses as students and ensure their success on campus.

Among the programs WKU offers to its growing population of more than 2,000 active duty military, veterans and their family members are Army ROTC, Air Force ROTC, Military Student Services, a Student Veterans Alliance, a Veterans Resource Center, Veterans Upward Bound, Office of Veterans Affairs and programs at WKU's Elizabethtown-Fort Knox campus. The Veterans Resource Center hosts the Textbooks For Troops program, which this semester is providing more than \$49,000 worth of free textbooks. The



RaShaan Allen, Military Youth of the year

program lends textbooks each semester to eligible military, veterans and their family members. Books are loaned out to students at all WKU locations, or shipped across the globe to our military students taking distance learning courses. See <http://wkunews.wordpress.com/2013/09/10/military-friendly-2013/>

Also, RaShaan Allen, a WKU freshman from Fort Knox, has been named the Boys & Girls Clubs of America's first Military Youth of the Year.

Allen, a member of the Hilltopper football team and son of Army Sgt. 1st Class Crystal Singer, was recognized Sept. 13 at a reception at the Women in Military Service for America Memorial in Arlington, Va. A member of Devers Youth Center in Fort Knox, Allen will receive a \$20,000 scholarship and serve as BGCA's official youth advocate for military teens. Allen was one of six finalists for the National Youth of the Year award who met with President Obama and attended a congressional breakfast. See <http://wkunews.wordpress.com/2013/09/18/military-youthofyear/>

Facility dog CanDoo a welcome addition to programs

CanDoo, a 2-year-old English cream golden retriever, is a facility dog being shared by Military Student Services and the Kelly Autism Program, thanks to Terry Scariot and John and Linda Kelly and his trainers at Smoky Mountain Service Dogs in Loudon, Tenn.

His main focus will be assisting students in Military Student Services and Kelly Autism Program, but CanDoo will provide a taste of home for students who may be missing their own families or pet, said Tonya Archey, director of Military Student Services. CanDoo specializes in helping overcome stressful situations.

"CanDoo's disposition is wonderful for this application," said Mike Kitchens, a WKU graduate and former Hilltopper basketball player who serves as volunteer spokesperson and board chair for Smoky Mountain Service Dogs. "CanDoo is a very laid back dog and he'll be great with autistic children and with veterans. We see his role as a decompressor who can make everybody feel better." See <http://wkunews.wordpress.com/2013/10/16/candoo/>



Tonya Archey, director of Military Student Services, and CanDoo.

FOUR FOCUS AREAS

1. COLLEGE READINESS

2. STUDENT SUCCESS

3. RESEARCH, ECONOMIC, & COMMUNITY DEVELOPMENT

4. EFFICIENCY & INNOVATION

SIX HB 1 GOALS

- 1. A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life.**
- 2. A major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky.**
- 3. A premier, nationally recognized metropolitan research university at the University of Louisville.**
- 4. Regional universities, with at least one nationally recognized program of distinction or one nationally recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate or master's degrees of a quality at or above the national average.**
- 5. A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two-year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.**
- 6. An efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.**

The Council on Postsecondary Education is Kentucky's statewide postsecondary and adult education coordinating agency charged with leading the reform efforts envisioned by state policy leaders in the *Kentucky Postsecondary Education Improvement Act of 1997*. The Council does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services, and provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

Kentucky Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort KY 40601
Ph: (502) 573-1555
Fax: (502) 573-1535
[Http://cpe.ky.gov](http://cpe.ky.gov)

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